

A Difficult Balancing Act

US Policy towards Iran, 1977–1979

Simen Staff Bakken



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A Difficult Balancing Act: US Policy towards Iran, 1977–1979



President Jimmy Carter and Mohammad Reza Pahlavi, the Shah of Iran. Toast at a formal dinner in Tehran, December 31, 1977. © Bettmann/CORBIS

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Preface

Writing a master's thesis has often felt like tough, but rewarding work. At the end of this journey, there are many who deserve my gratitude for their help during the past two years.

First and foremost, I must thank my thesis advisor, Hilde Henriksen Waage. Her encouragement, useful criticism and suggestions have been of great use during this entire process. Like others before me, I have found that her dedication, both to her work and to her students, is simply unparalleled. Hilde has always been available for questions and discussions about my research, and this thesis would in all likelihood have looked very different without her advice. Thanks are also in order to Hilde's research assistant, Helge Jensehaugen, who provided helpful comments for all of my chapters as well.

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One of the highlights of my master's studies was a trip to Atlanta for archival research. The staff at the Jimmy Carter Presidential Library was very helpful, happily answering all kinds of questions. Their friendliness made me feel at home in the city of Atlanta, despite the short duration of my stay. This was also true of the other people I met while staying there, and all of them deserves thanks for demonstrating true "Southern hospitality".

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Blindern, May 2015.

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Chapter 1: Introduction

In 1979, the United States suffered one of its greatest geopolitical losses of the Cold War era. The country's long-time ally in the Middle East, the Shah of Iran, was overthrown after a series of tumultuous events. Following a period of rebellion, the Shah was eventually forced to leave his country, and strongly anti-American forces, under the leadership of Ayatollah Ruhollah Khomeini, triumphed in the ensuing power struggle. Barely a month after the Shah's departure, Khomeini's followers had seized power, and Khomeini, an Islamic cleric and long-time opponent of the Shah, ascended to become the dominant figure in the new Iran. These events came as a great surprise to almost all observers, as the notion of the Shah falling from power had widely been considered impossible just months before.¹ The unthinkable had occurred, only a year after President Jimmy Carter had hailed Iran as "an island of stability".²

Washington had long viewed the Shah as a key ally. In 1953, a US-backed coup had helped the Iranian monarch to greatly strengthen his internal position. Since that time, the Shah had suppressed all opposition that threatened his regime, and ruled Iran with a firm hand. Despite a number of fierce opponents, his rule did not appear to be in any significant danger when Jimmy Carter entered the White House in January 1977, and the sheer scope of the rebellion that broke out in Iran in 1978 was a total surprise, both to the US government and to the world at large. As the crisis unfolded, Washington often struggled to get a clear picture of the chaotic situation in Iran. After the fall of the Shah, America's relations with the new regime were rocky from the start. The sweeping deterioration of US-Iranian relations culminated in the hostage crisis of November 1979, after which diplomatic relations between the two countries soon effectively ceased.

This study will explore the course of events that led to this situation, by analyzing US foreign policy towards Iran from January 1977 to November 1979—that is, the first three years of the Carter administration. It will begin in the early days of Carter's presidency, when the situation in Iran was still calm and the American-Iranian alliance stood strong, despite some difficulties. It will end with the hostage crisis, an obvious watershed in the history of US-Iranian relations. When analyzing this period, the study will aim to answer the following questions: What were the primary interests of the Carter administration in Iran? How did the US government

¹ Gasiorowski, Mark J. *U.S. Foreign Policy and the Shah: Building a Client State in Iran*: xi. New York: Cornell University Press, 1991.

² Sick, Gary. *All Fall Down: America's Fateful Encounter with Iran*: 30. London: I.B. Tauris, 1985.

attempt to further these interests during this period, and why? What factors in the US policy towards Iran contributed to Washington's difficulties in protecting its interests there?

A point of clarification with regards to the last of these (interrelated) questions: this study does not attempt to determine whether different policy choices would have led to a different outcome. Doing so would be counter-factual, as well as outside the scope of this research. The third question will thus be confined to an analysis of the challenges that arose because of the choices that *were* taken by the administration. When considering subjects such as this, it is important to keep in mind that historical studies must necessarily be written with the benefit of hindsight, and that what may appear obvious years later was typically not so during the actual course of events. It is therefore very important not to impose *post facto* moral judgments in this kind of study, and the thesis does not render a verdict regarding whether Washington should have known better in its decisions. Instead, it will focus upon how and why these decisions were made.

The Middle East Policy of the United States in the Cold War Era

America's position in the Middle East would grow and solidify early in post-war era. Before that time, the United States had not traditionally regarded the Middle East as central to its national interests, and its presence there was not large in the decades leading up to World War II. Yet within a few years of that war's conclusion, the US would be the most influential Western nation in the region. This was due in part to the weakening position of the United Kingdom, the once dominant Western nation in the Middle East. Its influence in the area declined in the post-war years, a decline which accelerated in the aftermath of the 1956 Suez Crisis. Britain's loss of great power status led it to gradually withdraw from the area altogether. Additionally, the influence of France, earlier a significant factor in the region, was also critically weakened after the Suez Crisis. All of this contributed to a power vacuum in the Middle East, and opened up for a larger US role.³

Of course, the United States was not the only superpower interested in filling that vacuum, as the Soviet Union saw opportunities in the Middle East as well. American leaders feared that if

³ Levey, Zach and Podeh, Eli (eds.). *Britain and the Middle East – From Imperial Power to Junior Partner*. Eastbourne: Sussex Academic Press, 2008. This study gives, in part, an overview of the decline of British influence in the Middle East, and of the United Kingdom's subsequent role as "junior partner" to the US; Shlaim, Avi. "The Middle East: The Origin of Arab-Israeli Wars" in *Explaining International Relations since 1945*: 223 (Woods, Ngaire, ed.). Oxford: Oxford University Press, 1996. Shlaim argues that the United Kingdom and France were the dominant "Great Powers" in the region until approximately 1956, after which the United States and the Soviet Union would assume this position. The Suez crisis thus clearly represented a watershed.

they did not fill the void that had been left by Britain, the USSR might do so.⁴ So it came to pass that the Cold War rivalry played a significant role in shaping the politics of one of the most economically, strategically, and geographically important regions of the world. Both Washington and Moscow thought it vital to have allies in the region, to which they sold vast amounts of arms, and extended sometimes substantial economic aid.⁵

While the superpowers clearly had great influence over the policies of their allies, the influence in the opposite direction is not to be underestimated. The “client” states frequently used the strength of their superpower allies to their own advantage, exploiting, for example, the tendency of the superpowers to see even very localized conflicts in a larger Cold War context. Certain “client” government would use this leverage to secure increased economic and military support, or shore up their domestic position.⁶ As will be demonstrated in what follows, this was manifestly true of Iran’s relationship with the United States, both during the Carter administration and before it.

The international rivalry between the United States and the USSR influenced the Middle East in significant ways, directly and indirectly.⁷ Though the policies of the United States would sometimes shift due to changing conditions, both internally and externally, some features remained constant for decades. Three factors particularly impacted its Middle East policy during the Cold War era, according to William Quandt, an American scholar and former staff member on the National Security Council. One was the containment of Soviet influence, to stop the spread of communism and limit the power of Soviet allies in the region.⁸ These allies at times included radical and Arab nationalist forces, and the effort to contain these groups should also be seen as part of this important feature of US foreign policy.⁹

Another key factor was the protection of US oil interests in a region that contained more than two-thirds of the known oil reserves in the world by the 1970s. All American presidential

⁴ See for instance, Yaqub, Salim. *Containing Arab Nationalism: The Eisenhower Doctrine and the Middle East*: 1. Chapel Hill, North Carolina: University of North Carolina Press, 2004.

⁵ Halliday, Fred. “The Middle East, the Great Powers, and the Cold War” in *The Cold War and the Middle East*: 15 (Sayigh, Yezid and Shlaim, Avi (eds.)). Oxford: Oxford University Press, 1997.

⁶ Sayigh, Yezid and Shlaim, Avi. “Introduction” in Sayigh and Shlaim (eds.) 1997: 3; Halliday in Sayigh and Shlaim (eds.) 1997: 11, 15; Tal, Lawrence. “Jordan” in Sayigh and Shlaim (eds.) 1997: 102, 111. Chubin, Shahram. “Iran” in Sayigh and Shlaim (eds.) 1997: 216, 231; Yaqub 2004: 19

⁷ Halliday in Sayigh and Shlaim (eds.) 1997: 14, 19.

⁸ Quandt, William B. *Peace Process: American Diplomacy and the Arab-Israeli Conflict since 1967*: 11-13. Berkeley: University of California Press, 2001.

⁹ For more on US opposition to Arab nationalism, see Yaqub 2004. That study focuses on the latter half of the 1950s, but also includes information that is relevant for a longer perspective; See also Halliday in Sayigh and Shlaim (eds.) 1997: 10, which notes the alliances between Arab Nationalists and the USSR.

administrations in the post-war era have been concerned with maintaining US access to oil supplies, and with keeping prices relatively stable, so as to avoid turmoil in the world economy.¹⁰ This defining feature of US policy also helps to explain why its leaders have been so focused on preserving good relations and alliances with oil-rich states in the region.

The third main factor in the Middle East policy of the United States has been to support the state of Israel, by standing up for Israel's "right to exist," sending it extensive economic and military support, and defending the state on the international scene. That does not mean that Washington has backed all aspects of Israeli policy, of course, but this general tendency has long been clear. Along these lines, too, American leaders have encouraged neighboring Arab countries to accept the legitimacy of the Jewish state. It has been a long-term interest of the United States to decrease the tensions in the Arab-Israeli conflict, and bring the parties to the table for negotiations, all the while ensuring that Israel's interests and safety are protected.¹¹

These three key factors often overlapped, of course, but they also harbored very real contradictions, so that, at times, advancing American goals in one of these areas could cause setbacks in another. Such complications necessitated difficult compromises and balancing acts for US policymakers. It should also be noted that though the goals were quite constant, the means with which to pursue them varied.¹² This was both due to differences between, and within, various administrations, and because of changing circumstances on the international scene.

In light of these key features of US Middle East policy in general, the development of American policy towards Iran becomes easier to understand. The Shah tended to share similar interests with the United States in these areas, and even when he did not, his influence and status as a key ally allowed him a certain leeway with Washington. The bottom line was that Iran possessed massive amounts of oil, becoming a vital oil supplier to the US and many of its allies; it had strong connections to Israel; and its anti-communism and growing regional strength made it very helpful to the United States in its struggle with the Soviet Union. This study will expand upon each of these aspects in subsequent chapters, in the interests of shedding light upon their impact on US policy towards Iran.

¹⁰ Quandt 2001: 12-13.

¹¹ Quandt 2001: 13-14; Countless studies analyze the development of US policy towards the Arab-Israeli conflict. See, for instance, Christison, Kathleen. *Perceptions of Palestine: Their Influence on U.S Middle East Policy*. Berkeley, University of California Press, 1999; Spiegel, Steven L. *The Other Arab-Israeli Conflict: Making America's Middle East Policy, from Truman to Reagan*. Chicago: University of Chicago Press, 1985.

¹² Quandt 2001: 14, 12.

Theoretical Perspectives on US Foreign Policy

The use of phrases such as “Washington’s view” may indicate a reductive approach that is often necessary in historical writing, for sake of both readability and clarity of information. As such, similar terms have also been used frequently in this study. However, these kinds of expressions can also at times risk giving a misleading impression of the actual intricacy of US foreign policy-making.

In this regard, a central question is how US foreign policy is made. There have been numerous academic studies on this subject, and equally numerous (and various) conclusions drawn. Most scholars agree, though, that the sitting president plays a vital role, and, if he so chooses, can impact virtually all aspects of foreign policy in the role of Commander-in-Chief.¹³ Yet the president’s ability to dictate foreign policy is restrained by several factors. Importantly, the legislative branch of the government, the US Congress, has the ability to put strong restraints on his agenda.¹⁴ The choices made by previous administrations represent another constraint, particularly for reform-minded decision makers who are interested in changing or updating an otherwise long held policy inclination.¹⁵

In light of this, it becomes clear why certain priorities in US policymaking tend to be rather constant, even if the means of pursuing those priorities may vary. This reality aligns nicely with the so-called *rational actor* model, also known as the *strategic* model, of US foreign policy.¹⁶ According to William Quandt, this model holds that “policies flow from a cool deliberation of national interest. [It] assumes that decisions are made by rational decisionmakers. Such a perspective implies that it does not much matter who occupies the Oval Office.”¹⁷

¹³ See for instance, Steiner, Zara: “Decision-Making in American and British Foreign Policy: An Open and Shut Case” in *Review of International Studies*. Vol. 13, No. 1, January 1987: 6; Brown, Seyom. *The Faces of Power: Constancy and Change in United States Foreign Policy from Truman to Clinton*. New York: Columbia University Press, 1994; Quandt 2001 also puts a large emphasis on the foreign policy role of US presidents, in a study dealing with the Arab-Israeli conflict, while also acknowledging a multitude of other factors, similarly to other literature.

¹⁴ For a very basic introduction to foreign policy role of the legislative branch, see Johnson, Toni: “Congress and U.S. Foreign Policy”, *Council on Foreign Relations*, 2013. <http://www.cfr.org/united-states/congress-us-foreign-policy/p29871> Accessed May 7, 2015.

¹⁵ As indicated in Brown 1994: “Preface”, xii.

¹⁶ For a thorough introduction, see Allison, Graham T.: *Essence of Decision: Explaining the Cuban Missile Crisis*: Chapter 1. New York: Little Brown, 1971; Quandt 2001: 7 briefly discusses the model, using the latter term.

¹⁷ Quandt 2001: Ibid. While Quandt specifically discusses such models in light of the Arab-Israeli conflict, they can clearly just as easily be used for the study of other areas of US foreign policy.

In some ways, the emphasis of the rational actor model on continuity in foreign policy also aligns with the findings of this thesis, which does locate such continuity in several aspects of US policy towards Iran over different presidential administrations. Yet, on balance, most of what this study uncovers does not fit particularly well with a theory that reduces all decisions to the “cool deliberation of national interest.”¹⁸ It seems clear, in fact, that vital choices must sometimes be made quickly, under stressed circumstances, with little certainty of the ensuing result.

Perhaps more relevant here is the *bureaucratic politics model*, as introduced by political scientist Graham T. Allison.¹⁹ In the words of Quandt, this model holds that “different agencies compete with one another, fixed organizational procedures are hard to change, and reliable information is difficult to come by. This perspective places a premium on bureaucratic rivalries and the “game” of policymaking. Policy outcomes are much less predictable from this perspective.”²⁰ While such theories can never provide a full picture of the complex historical reality, this model provides an outlook that is useful to have in mind when analyzing US foreign policy.

The United States government does not always speak with one voice, nor is there a clear single objective to many of its decisions. Instead, its choices are often the result of compromises among numerous interests applying pressure through different government agencies with sometimes contradictory endgames. The agencies can be internally various as well—their actions are often the result of a process through which the divergent views of several policymakers shape their proposed policies. Both individual and institutional factors, then, contribute to this complex policymaking process.²¹

Historian Zarah Steiner has illustrated this complexity, in her research on the making of US foreign policy. She emphasizes the president’s dominant foreign policy role, but also focuses on the bureaucratic infighting that to a large degree counterbalances it. The process Steiner describes involves multiple policymakers and centers of influence competing to persuade the ultimate decision maker, the sitting president, to agree to their particular proposals.²² Those attempting to influence the president may not only include his closest advisors in the White House, and institutions like the Defense Department or State Department, but also the CIA,

¹⁸ As shown in the above paragraph, this quote is taken from Quandt 2001: 7.

¹⁹ For an extensive introduction, see Allison 1971, which is an influential study on this topic.

²⁰ Quandt 2001: 7.

²¹ As illustrated in Steiner 1987.

²² Steiner 1987: 6-9.

Congress, and a range of others. In this type of system, Steiner concludes, “Bureaucratic infighting is endemic [...] and frequently produces conflicting and erratic policies”.²³

All of this must be borne in mind when analyzing the foreign policy of the Carter administration, where internal policy differences likewise contributed to a complex, and sometimes contradictory, foreign policy line. Carter’s closest advisors pulled him toward what some scholars, such as Seyom Brown, have boiled down to three main lines of foreign policy within the administration.²⁴

The first line was most prominently represented by Andrew Young, an African-American pastor and politician who served as US ambassador to the United Nations. While Young did not affect day-to-day policy to a great degree, his human rights focus and idealism had a clear impact on President Carter’s foreign policy ideas.²⁵

This idealism stood in profound contrast to the line of Zbigniew Brzezinski, Carter’s National Security Advisor, whose foreign policy views had been strongly shaped by a Cold War focus. While Brzezinski had had some sympathy for privileging human rights in US foreign policy, he would always place the nation’s geopolitical interests ahead of its idealistic principles, and he considered that keeping the USSR in check and supporting anti-communist allies was absolutely vital. Over the course of the Carter presidency, Brzezinski often clashed with the president’s other principal foreign policy advisor, Secretary of State Cyrus Vance, who represented a third, rather more flexible foreign policy line. Vance preferred for decisions to be made on a case-by-case basis, rather than through adherence to certain set principles.²⁶

Some observers have described Vance as a “dove”, in contrast to Brzezinski’s hawkishness, but this is a simplification, and in fact the two did work well together on occasion. Still, there were clearly central differences between their worldviews. This contributed to frequent

²³ Steiner 1987: 9.

²⁴ Brown 1994: 312-314. Brown is currently a Professor Emeritus of Politics at Brandeis University, and he has also held positions at Harvard; Lundestad, Geir. *Øst, vest, nord, sør: Hovedlinjer i internasjonal politikk*: 209. Oslo: Universitetsforlaget, 2010.

²⁵ Brown 1994: 312; Young will not appear further in this study, but as the Carter Administration’s tough balancing act between advancing humanitarian interests and strategic interests will often feature, it is still relevant to note him, as he had played a significant role in influencing the president’s outlook.

²⁶ Brown 1994: 313; Kaufman, Scott. *Plans Unraveled: The Foreign Policy of the Carter Administration*: 3, 240. DeKalb: Northern Illinois University Press, 2008.

disagreements between the State Department and Brzezinski's National Security Council, which would bedevil the Carter administration.²⁷

Such differences would at times be very apparent in the Iran policy of the United States, particularly during the final months of the 1978–79 revolution. Washington's actions during this period can also serve as an indication of how a complex policy process can lead to equally complex policy choices. This study does not aim to examine this process in great detail, nor do these factors explain all of the internal divisions that would often characterize the Carter administration's work in this area. However, they do provide an important backdrop for the conflicts that emerged within the US government.

Sources and Literature

This thesis relies extensively on primary sources to answer its motivating research questions. Many once confidential documents have been declassified during the last decade, and they have proven very useful for analyses of the policies of the Carter administration. These documents include State Department telegrams, US intelligence analyses, minutes from White House meetings, and more.

Certain government sources dating from the Carter era can be accessed online, including a collection of documents captured by Iranian hostage takers during the occupation of the US Embassy in November 1979. The veracity of these sources has never been in question, though the name of the collection, *Documents from the U.S. Espionage Den*, says much about the Iranians' motivation for publicizing them.²⁸ Some of these documents have been used here, though sparingly. Due to the extensive amounts of relevant primary source material now available, some prioritizing was necessary, and a choice was made to focus on documents originating from elsewhere. The bulk of the online primary sources used for this thesis derives from the US National Archives. The *Central Foreign Policy Files* of the National Archives covers a period up to 1978, and includes mainly telegrams that were sent either to or from the State Department.²⁹ Still, the majority of such sources from later years have not yet been

²⁷ Kaufman 2008: 3, 240; Skidmore, David. *Reversing Course: Carter's Foreign Policy, Domestic Politics, and the Failure of Reform*: 29. Nashville: Vanderbilt University Press, 1996.

²⁸ *Documents from the U.S. Espionage Den*. Available online on the Internet Archive: <https://archive.org/details/DocumentsFromTheU.s.EspionageDen> Accessed May 7, 2015 (all access dates refers to when they were last retrieved. All such links were double-checked a few days before this thesis went to print, hence the similar dates).

²⁹ National Archives and Records Administration (NARA) - <http://www.archives.gov/> Accessed May 7, 2015. As its published source material in the *Central Foreign Policy Files* (CFPF) collection only covered up to the year of 1977 until recently, it has seldom been used in chapters that cover later years. In mid-March 2015, the CFPF

published, either online or elsewhere, and much other relevant material is unprinted or not easily accessible. While State Department historians currently plan to declassify and release a vast collection of documents concerning the Carter administration and Iran on its website, this will come too late for this study.³⁰

Therefore, it was necessary to work with primary sources in the United States itself. *The Jimmy Carter Presidential Library* in Atlanta, Georgia, contains a large number of records from his administration, and I went there in the fall of 2014. Many of the primary sources gathered for this study were only declassified as late as 2013–14, and have not yet been analyzed by other researchers, to my knowledge.

Examining unedited papers and source materials provides a view of history that is not obscured by the benefit of hindsight or the personal biases of the historian, but there are problems regarding the use of primary sources as well. As indicated, though much material from the Carter administration has been published, there is still a significant amount of documents that remains classified. It seems logical to assume that some documents have not been released due to their controversial nature.³¹ As such, it may well be that important material which could shed further light on this topic will be released in the future.

Furthermore, even primary sources can contain biases of a sort, and the information provided in these documents should not be uncritically accepted. This is particularly the case as far as US analyses of the situation in Iran are concerned, which may at times be colored by the perceptions of those who wrote them. Such sources should thus preferably be supplemented with other material, where possible.

Another potential problem is that the historical or political context of a given primary source may be unclear, and much triangulation is necessary to construct a coherent narrative. It also helps to have some preexisting knowledge of US-Iranian relations. To gain this knowledge, this study has drawn from a significant amount of literature as well, including the memoirs of those who personally took part in the making of American foreign policy in this period, and the scholarly accounts of historians and other academics.

was updated to cover 1978 as well. While a fair share of these newly publicized documents might well have been of interest for this study, this update came too late to be of more than relatively limited use.

³⁰ *Foreign Relations of the United States (FRUS)* series: <http://history.state.gov/historicaldocuments/status-of-the-series> Accessed May 7, 2015.

³¹ This became very apparent by looking at various collections in the Carter Library from which significant amounts of material have been removed or censored. It is possible to request seeing such material, but it would often involve a wait of several years before these requests are even reviewed, according to library staff.

These are numerous issues to be aware of when using such literature. While memoirs can be very useful for understanding the motivations of historical figures, they are deeply affected by their authors' personal roles in the era in question and can even be *apologias*, written to defend certain actions and/or outcomes. This is particularly true with regard to a case such as Iran, where US policy was regarded as an unquestioned failure in hindsight. It is perhaps only natural that policymakers would try to absolve themselves of the blame for all of this, and even argue for the culpability of others. According to the historian James A. Bill, this is very much the case when it comes to these memoirs.³²

For example, Zbigniew Brzezinski's autobiography strongly defends his own stance during the Iranian revolution, insisting that a tougher line against the opposition might have saved the Shah, and that the State Department had a naïve view of the nature of the situation.³³ The other side of the coin is represented by Ambassador William H. Sullivan's memoirs. He is very harsh in his judgment of the Carter administration, which he accuses of not grasping the seriousness of the threat to the Shah and of foolishly neglecting to make more contacts with oppositional elements, despite his own advices.³⁴ Other memoirs tend to be equally one-sided when describing this period, and all must thus be weighed very carefully.

A great amount of scholarly literature has been written about the rule of the Shah, and his relationship with the United States. The literature used for this thesis does not mainly concern the Iran policy of the Carter administration, although some books and articles have parts that discuss the topic. Some of the literature focuses on Iran and the Shah from a more Iranian point-of-view, rather than dealing with the US perspective, as is done in this study.

Particularly useful for understanding Iranian society and the Shah were Amin Saikal's *The Rise and Fall of the Shah* and Nikki Keddie's *Roots of the Revolution*. Literature that was valuable for gaining an understanding of the historical context of US-Iranian relations included Barry Rubin's *Paved with Good Intentions* and James Bill's *The Eagle and the Lion*.³⁵ These expansive studies attempt to deal with the entire history of modern American-

³² Bill, James A. *The Eagle and the Lion: The tragedy of American-Iranian relations*: 9. New Haven: Yale University Press, 1988.

³³ Brzezinski, Zbigniew. *Power and Principle: Memoirs of the National Security Advisor, 1977-1981*. New York: Farrar, Straus and Giroux, 1983.

³⁴ Sullivan, William H. *Mission to Iran*. New York: W.W. Norton & Company, 1981.

³⁵ Saikal, Amin: *The Rise and Fall of the Shah*. Princeton: Princeton University Press, 1980; Keddie, Nikki R.: *Roots of Revolution: An Interpretive History of Modern Iran*. New Haven: Yale University Press, 1981; Rubin, Barry: *Paved with Good Intentions: The American Experience and Iran*. New York: Oxford University Press, 1981; Bill 1988.

Iranian relations. They share many similarities, but differ in that Bill appears to be significantly more critical of Washington's conduct in Iran. Other research on Iran and US foreign policy has also often been useful, not only in providing background information, but also by supplementing primary source material.

Neither Bill nor Rubin, of course, had access to the recently declassified documents that informed the present study so profoundly, and this is also true of the other scholars that are cited here. The wealth of such declassified material thus provides new opportunities for more in-depth studies on this subject.

Although the scholarly literature related to this subject is clearly more balanced than the memoirs, it too shares the problem of possible bias, which is always difficult for historians to overcome.³⁶ While these scholars may not have been personally involved in American foreign policy, their research can still be affected by their own political outlooks. It is therefore always best to draw from a wide variety of literature, written by authors with differing views, and to contrast the information provided in such accounts with findings gathered from primary sources. By following such principles, this thesis will hopefully represent a valuable contribution to the existing research on the topic of US-Iranian relations.

³⁶ McCullagh, C. Behan: "Bias in Historical Description, Interpretation, and Explanation" in *History and Theory*, No. 39, 2000: 39-66.

Chapter 2: The History of US-Iranian Relations

Following the end of the Second World War, American influence over Iran steadily grew as US policymakers came to see the nation as increasingly important to their interests. What were the central political developments in modern Iranian history? How did the American-Iranian relationship develop after World War II? Why would Washington regard Iran as an increasingly important ally?

A Broad Look on Modern Iranian History

Over the years, the area known today as Iran has been ruled by a large number of dynasties, both local and foreign in origin.³⁷ By the end of the nineteenth century, the country was ruled by the Qajar dynasty, and Iran was, in many respects, a relatively weak and underdeveloped state. While the central government did have tax collecting powers, its bureaucracy was very limited. There was still no effective police force or strong army at this point, and there were no railways crossing the realm.³⁸

Foreign powers would exploit this weakness to their advantage. Britain and Russia both viewed Iran with interest, and the impact of these two rival imperial powers upon the government there had long been evident, particularly from the mid-nineteenth century. Each sought to control Iran for economic and strategic reasons, at the expense of the other, and this stalemate may have been what allowed Iran to remain independent. However, this was often independence in name only, and the Qajar monarchs were regularly forced to accept trade agreements that were not in the national interest.³⁹ The subsequent discovery of large oil reserves, mainly in the British-dominated areas of Iran, exacerbated this situation further. In 1907, the two imperial powers agreed to formally split Iran into spheres of influence, with a British zone in the south and a Russian zone in the north, under the shroud of Iranian independence.⁴⁰

This foreign dominance prompted strong reactions in Iran. At the beginning of the twentieth century, a constitutional movement emerged, with the twin goals of weakening the country's monarchical power and limiting foreign influence upon it. The so-called "Constitutional Revolution" had widespread support in Iran, among all social classes, and, significantly, from

³⁷ Historically, Iran was known as Persia in the Western world. In 1935, its monarch, Reza Shah, requested that the country be called by its "proper" name. The name Iran will be used consistently in this chapter, for the sake of clarity.

³⁸ Keddie 1981: 29-32, 38-39.

³⁹ Saikal 1980: 11-12; Keddie 1981: 37-39

⁴⁰ Saikal 1980: 12-14.

the powerful Shia clergy, long an influential force in a country that had ascribed to Shia Islam for centuries as its state religion. The revolution forced the Qajar shah (king) to accept a form of constitutional government in 1906, but it would appear that Iran's rulers had no real intentions of actually implementing these changes, and so they languished, as foreign powers continued to play an important role in the nation's politics as well. Nevertheless, the constitutional movement's rise indicated a burgeoning desire for change in twentieth-century Iran.⁴¹

A new era in Iran arose following the 1921 coup d'état that brought army commander Reza Pahlavi to power, amid the political chaos that had come to characterize a nation beset by a poor economy and weak governments. After dominating Iranian politics for a few years, Pahlavi had the *Majles* (parliament) anoint him Shah of Iran in 1925, establishing a new dynasty with near absolute powers. Iran's new ruler suppressed all opposition, and though the parliament still existed, its influence became negligible at best.⁴²

At this time, Iran was still a backward country from a Western perspective, with a low literacy rate, few government services and little centralization, tentative industrialization, a weak economy, and a very influential religious hierarchy. In some ways it was virtually a semi-feudal society—big landowners controlled most of the real estate, and peasants had a very subservient position. The new king wanted to modernize Iran and implemented a large number of reforms, expanding government services and bureaucracy, centralizing political power, and strengthening the military.⁴³

He also wanted to increase Iran's independence, to help it withstand pressure from the imperial powers. As part of a strategy to decrease British influence in particular, he attempted to expand contacts with other nations, such as the United States and Germany. By the late 1930s, in fact, the Germans were Iran's biggest trade partners.⁴⁴ In 1941, during the Second World War, the monarch refused a British request to transport Soviet-bound weapons through Iran, wishing to maintain Iran's neutrality and preserve its good relations with Germany. The United Kingdom and the Soviet Union feared increased German influence in Iran, and this

⁴¹ Keddie 1981: 29-32, 72-82; Katouzian, Homa. *State and Society in Iran: The Eclipse of the Qajars and the Emergence of the Pahlavis*: 41. London: I.B. Tauris, 2000. It is well outside the scope of this study to discuss the causes and effects of the "Constitutional Revolution" in detail, but it may be noted that Katouzian provides an in-depth analysis.

⁴² Keddie 1981: 93-94; Saikal 1980: 19-20.

⁴³ Keddie 1981: 92-98.

⁴⁴ Saikal 1980: 20-24.

soon led to a joint Soviet and British invasion of Iran and the forced abdication of Reza Shah. He was sent into exile, but the Allied powers agreed to let his son, the twenty-one-year-old Mohammed Reza Pahlavi, succeed him as the nation's new monarch.⁴⁵ For the rest of the war, Iran remained occupied by the United Kingdom and the USSR.

The Post-War Era: America Looks to Iran

American leaders started to show great interest in Iran only in the early years of the Cold War; up to World War II, Washington simply did not see Iran as relevant to its interests.⁴⁶

Additionally, The United Kingdom retained its influential position in Iran, and the United States had not wanted to alienate the British by interfering in "their" area.⁴⁷

Several factors contributed to the post-war US change of heart, beginning with the emerging Cold War rivalry with the Soviet Union. Iran bordered the USSR, which, to the Americans, appeared to have rather aggressive plans for this particular neighbor. After the war was over, the Allies had agreed to withdraw their forces from Iran, a pledge which the Soviet Union refused to uphold. Even after British forces had left, Soviet troops remained, prompting a major international crisis. While this incident was clearly part of a general deterioration of relations between the superpowers following World War II, it still represented one of the earliest crises in their long-lasting ideological and strategic struggle.⁴⁸

One reason for Moscow's actions was likely the desire to support the growing communist movement in Iran, represented by a political party called Tudeh. The Truman Administration grew worried about the prospects of a coup by Tudeh and a subsequent Soviet occupation of Tehran, and was adamant in its demands for an immediate Soviet withdrawal. Adding to the tension, the USSR had also influenced the establishment of autonomist governments in the Iranian provinces of Azerbaijan and Kurdistan, and Washington feared that these would soon become Soviet puppet states.⁴⁹

⁴⁵ Saikal 1980: 24–26; Keddie 1981: 110, 113; From this point on, Mohammad Reza Pahlavi will be referred to simply as "the Shah." Literature on Iran differs on whether this is capitalized or not – i.e., some authors use "the shah" instead. This study will use the capitalized version.

⁴⁶ Lytle, Mark H. *The origins of the Iranian-American alliance 1941–1953*: "Introduction", xiii. New York: Holmes & Meier, 1987; Saikal 1980: 29.

⁴⁷ Bill 1988: 16; Saikal 1980: 23–24.

⁴⁸ Gasiorowski, 1991: 46.; Lytle 1987: xiv, xvi; Keddie 1981: 120; Saikal 1980: 32–34; Fawcett, Louise. "Revisiting the Iranian Crisis of 1946: How Much More Do We Know?" in *Iranian Studies*, Vol. 47, No. 3, 2014: 399.

⁴⁹ Blake, Kristen. *The U.S.-Soviet Confrontation in Iran, 1945–1962: A Case in the Annals of the Cold War*: 35–37. Maryland: University Press of America, 2009; Gasiorowski 1991: 46; Hess, Gary R. "The Iranian Crisis of 1945–46 and the Cold War" in *Political Science Quarterly*, Vol. 89, No. 1, March, 1974: 117, 125; The full name of the Iranian communist party was *Hezb-e Tudeh Iran*, meaning "party of the masses."

Following a long diplomatic struggle, the Americans succeeded in persuading the USSR to withdraw its forces, after which the provincial Soviet-backed governments soon fell.

Following these events of 1945-46, the Iranian government was wary of the Soviet Union's intentions, and began to encourage increased US influence in Iran. The American presence was seen as a bulwark against not only the Soviet Union, but also against British imperialism.⁵⁰

The emergence of the Cold War significantly increased US interest in Iran, as a Western-allied Iran was seen as obstructing Soviet expansion in the Middle East. This regional political agenda dovetailed nicely with the fact that the US economy would become increasingly reliant on oil in the aftermath of the war, as comparatively vast oil reserves were located in Iran.⁵¹ In the post-war era, Iran eventually emerged as one of the most significant suppliers of oil to the United States and many of its allies in Western Europe. Washington's economic interests were closely intertwined with its strategic interests, as Soviet dominance in Iran would likely exclude Western access to its oil fields.⁵²

Acknowledging Iran's strategically vital location between the USSR and the oilfields of the Gulf, Washington wanted to keep radical or pro-Soviet forces from gaining power there, and soon found itself providing support for the nation's young ruler. The Shah made his first visit to the United States in 1949, when he successfully pressed the American government for military and economic aid to Iran.⁵³ In 1950, in turn, the United States started to greatly increase its presence in Iran, which was considered both vulnerable and unstable.⁵⁴ This would lead to strengthened ties between Washington and the Shah.

The Rise and Fall of Mossadegh

The early 1950s represented a dramatic period in the history of Iran, as a large conflict erupted over the nationalization of Iranian oil resources.⁵⁵ Up to this point, the oil was mainly controlled by the West, with the British-run *Anglo-Iranian Oil Company* (AIOC) in a dominant role, and Iran's oil agreement with the AIOC meant far less oil revenue and less influence on oil policy than Iranians felt their country deserved. Resentment against the AIOC

⁵⁰ Hess 1974: 117; Gasiorowski 1991: 47; Saikal 1980: 35; Lytle 1987: xvii.

⁵¹ Bill 1988: 19, 29; Lytle 1987: xv.

⁵² Lytle 1987: xv; It may be noted, to jump ahead of things, that Washington became particularly reliant on Iran oil during the 1970s. Rubin 1981: 139-140.

⁵³ Saikal 1980: 36.

⁵⁴ Gasiorowski 1991: 55-56.

⁵⁵ Bill 1988: 51; Gasiorowski 1991: 49.

and British influence was thus widespread in Iran, and various governments had unsuccessfully tried to persuade London to give them a better agreement. Nationalist leaders took the opportunity to vigorously oppose the foreign oil companies.⁵⁶

In 1951, the nationalists had gained much support in the *majles*, and the Shah found himself with no option but to accept its choice of Mohammad Mossadegh, an anti-British member of parliament and leader of a political party called *The National Front*, as his new prime minister. Mossadegh promptly forced the Shah to relinquish some of his powers and became a dominant figure in Iranian politics.⁵⁷ He also confronted the oil companies, nationalizing the AIOC. This angered the British government, which then took several steps to undercut the Iranian economy, including an economic boycott.⁵⁸

The Shah had bad relations with the prime minister as well, and dismissed him in 1952, but massive popular demonstrations forced the monarch to reinstate Mossadegh soon afterward.⁵⁹ London also desired the removal of the Iranian prime minister, but was reluctant to intervene on its own and spent several months appealing to Washington for help.⁶⁰ The United States held back at first. From an economic point of view, Washington disliked nationalization, as it could prove damaging to the economies of the West, and so inclined towards the British agenda. Still, the Truman Administration asked the British government to make some concessions so as to calm the situation in Iran, as it was feared that further turmoil might result in some sort of Soviet intervention. The administration also had some sympathy for the views of the Iranian nationalists—in particular, Secretary of State Dean Acheson was regarded by the CIA as entirely too sympathetic towards Mossadegh.⁶¹

Such sympathies would not be shared by the next US administration. After winning the 1952 presidential election, Republican Dwight Eisenhower would enter the White House in January 1953. Both the new president and his secretary of state, John Foster Dulles, soon agreed with London that something had to be done about Mossadegh.⁶² Seven months later, the United States and Britain were instrumental in a coup against the Iranian prime minister in August

⁵⁶ Bill 1988: 61-65; Gasiorowski: 58-59; Saikal 1980: 38.

⁵⁷ Abrahamian, Ervand. *A History of Modern Iran*: 117-118. New York: Cambridge University Press, 2008; Bill 1988: 65; Gasiorowski 1991: 58; Saikal 1980: 38-39.

⁵⁸ Abrahamian 2008: 117; Bill 1988: 64; Saikal 1980: 39-41.

⁵⁹ Keddie 1981: 136.

⁶⁰ Bill 1988: 79, 85.

⁶¹ Keddie 1981: 134; Bill 1988: 75, 85; Gasiorowski 1991: 67-68; Saikal 1980: 42.

⁶² Louis, Roger William. "Britain and the Overthrow of the Mossadeq Government" in *Mohammed Mossadeq and the 1953 Coup in Iran*: 159 (Byrne, Malcolm and Gasiorowski, Mark J. (eds.)). New York: Syracuse University Press, 2004; Bill 1988: 85.

1953, which was very helpful to the Shah, who had been on the verge of fleeing Iran in the midst of his struggles with the increasingly powerful Mossadegh. The Cold War mentality of the Eisenhower administration strongly influenced its stand. The risk of a communist takeover in Iran, though greatly overestimated by Washington, played a major part in its decision. In addition, the US government feared the economic consequences of oil nationalization.⁶³ Internal Iranian conflicts were important to the removal of Mossadegh as well, and the coup could not have succeeded without the complicity of his domestic opponents.⁶⁴ Still, Iranians harbored little doubt that US intelligence agents played a significant role in its orchestration, and the CIA officially admitted as much in 2013.⁶⁵

After the 1953 coup, the Shah completely dominated Iranian politics, micromanaging or otherwise interfering with government policy to a great extent.⁶⁶ A strong crackdown on his political opponents followed, including those in Tudeh and the National Front, which were practically crushed.⁶⁷ In the years to come, the Shah's secret police, SAVAK (helped set up by the CIA, among others), persecuted and terrorized opponents of the regime. Dissent was rarely indulged, and the two new parliamentary organizations created by the Shah were satirically referred to as the "yes and yes, sir" parties.⁶⁸

The coup was decisive not only for the Shah himself, but also for US relations with Iran in the years to come. First of all, it greatly exacerbated anti-Americanism in Iran.⁶⁹ Though the United States came to play a much larger role in Iran after 1953, the Shah's opponents often exaggerated American influence on day-to-day Iranian affairs.⁷⁰ The growing US presence in Iran, coupled with suspicions about Washington's role in Mossadegh's overthrow, encouraged many Iranians to frame the United States as simply the latest imperial interloper in their country, assuming the position previously held by Russia and Great Britain. This was a great contrast to the attitudes of only a few years previous, when America had represented a potential partner for the Iranians in their struggle against foreign influence.⁷¹

⁶³ Bill 1988: 79, 85, 92-94; Chubin in Sayigh and Shlaim (eds.) 1997: 231; Saikal 1980: 44-47.

⁶⁴ Rubin 1981: 89; Bill 1988: 93.

⁶⁵ Dehghan, Saeed Kamali and Norton-Taylor, Richard. *The Guardian*, August 19, 2013. <http://www.theguardian.com/world/2013/aug/19/cia-admits-role-1953-iranian-coup> Accessed May 7, 2015.

⁶⁶ Saikal 1980: 46-47, 64.

⁶⁷ Abrahamian 2008: 122; Saikal 1980: 46-47.

⁶⁸ Pollack, Kenneth M. *The Persian Puzzle: The Conflict between Iran and America*: 74, 78. New York: Random House, 2005.

⁶⁹ Rubin 1981: 57; Bill 1988: 96; Abrahamian 2008: 122.

⁷⁰ Rubin 1981: 104.

⁷¹ Rubin 1981: 57, Abrahamian 2008: 122.

In 1954, Western oil companies formed an Iranian oil consortium, in part tasked with restoring production to normal levels after the past few years of upheaval. US companies controlled a 40 per cent share in this consortium, roughly equal to the share of the AIOC (then renamed British Petroleum), a clear indication of the Americans' significant economic interests in Iran.⁷²

Also in the years following the coup, the United States demonstrated its commitment to the Shah by selling him arms in large amounts. By 1956, in fact, the largest US military aid mission in the world was situated in Tehran, and this significant military aid, alongside other assistance, helped solidify the Shah's internal position.⁷³ Iran's alignment with the West had been further buttressed in 1955, when the country became a founding member of the Baghdad Pact, an anti-communist defense alliance modeled on NATO. Though the United States was not an official member of this alliance, its influence there was profound. Washington contributed considerably to the Baghdad Pact's budget, sold significant amounts of arms to its member states, and took part in the organization's military planning.⁷⁴

While no disagreements between the two governments actually challenged their strong relationship in the Eisenhower era, one in particular may be noted. Even as Washington persisted in selling weapons to Iran, the US government believed that the Shah should prioritize social spending at the expense of his large-scale military expenditure, since Iran's vulnerable economy was feared to cause internal unrest.⁷⁵

US-Iranian Relations in the 1960s

After John F. Kennedy was elected president in 1960, US policy towards Iran began to encompass a greater emphasis on socioeconomic and political reforms. Kennedy was worried about the state of affairs in Iran for strategic reasons, and the new administration attempted to press the Shah to implement reforms and ease the repression of political dissidents. US

⁷² Keddle 1981: 142; For much more detailed information on the creation of this consortium, and the role it would play in Iran, see Heiss, Mary Ann: "The United States, Great Britain, and the Creation of the Iranian Oil Consortium, 1953-1954" in *The International History Review*. Vol. 16, No. 3, August 1994: 511-535.

⁷³ Pollack 2005: 76-77.

⁷⁴ Hahn, Peter L. *Caught in the Middle East: U.S. Policy toward the Arab-Israeli Conflict, 1945-1961*: 152-154. Charlotte: University of North Carolina Press, 2004; Pollack 2005: 76.

⁷⁵ Cooper, Andrew Scott. *The Oil Kings: How the U.S., Iran and Saudi Arabia Changed the Balance of Power in the Middle East*: 23. New York: Simon & Schuster, 2012 ed.; Pollack 2005: 76.

officials felt that there was a risk of revolution, unless the Shah implemented large-scale changes.⁷⁶

Though the Iranian communist party, Tudeh, was weak at this point, there were other issues that worried Washington. The Shah had bad relations with several Middle Eastern states that the Americans regarded as potential threats to his regime. Radical and Arab nationalist forces saw the Shah as supporting “imperialist” interests in the region. His status as a *de facto* US ally, his role as a near-absolutist monarch, and his good relations with Israel made him an enemy in the eyes of Egyptian president Gamal Abdel Nasser.⁷⁷ And, of course, the USSR also strongly disapproved of the alliance between the United States and Iran, so that the Soviets often joined Egypt in harsh criticism of the Shah. While it is very unlikely that either country had any plans to depose of Iran’s longtime ruler, the Shah used the alleged threats represented by hostile states to strengthen his relationship with the West. That had proved a successful strategy, with the Americans often being willing to increase economic and military aid. This support was then used by the Shah to strengthen his role in Iran as well, in order to combat domestic threats.⁷⁸

While the United States might have regarded the Soviet Union as a concern, the Shah’s domestic opposition represented the real danger. The Shah was deeply unpopular amongst many Iranians, particularly due to the corruption and inefficiency of his regime and the harsh oppression of political dissidents. Many also saw him as an American puppet, and came to associate Washington with his repressive policies. At times, the Shah’s close relations with the United States played into the hands of his opponents, who would accuse him of serving American rather than Iranian interests.⁷⁹

The early 1960s saw numerous signs of public unrest and several demonstrations against the Shah’s rule, and this, combined with the growing US pressure for policy changes, likely led the Shah to instigate a reform program in 1963 called *the White Revolution*. By actions such as introducing land redistribution reforms, making changes within education and health care, and increasing rights for women, the Shah hoped to legitimize his rule. A clear goal of the White Revolution was to broaden his base of support from the landlord aristocracy into the

⁷⁶ Saikal 1980: 75-76; Summitt, April R.: “For a White Revolution: John F. Kennedy and the Shah of Iran” in *Middle East Journal*, Vol. 58, No. 4, autumn, 2004: 564, 570; Bill 1988: 133.

⁷⁷ Saikal 1980:67-68; Rubin 1981: 103; Nasser was a pan-Arabist and Egypt was the clear “leader” amongst the radical Arab states.

⁷⁸ Saikal 1980: 66-70.

⁷⁹ Saikal 1980: 70, 74-75.

emergent middle class. Though the White Revolution stripped the large landowners of much of their wealth and influence and cost the Shah a lot of support in this group, the reforms did not noticeably increase his level of support among the other social classes.⁸⁰ Even as the reforms helped to improve the general standards of living in Iran, they were thus not as effective as the Shah must have hoped.⁸¹

In fact, the White Revolution actually led to a massive demonstration in 1963, when the religious leader Ayatollah Khomeini called for an uprising against the Shah. Increased political rights for women and non-Muslims, along with the egalitarian land reforms, had been very unpopular amongst the influential Iranian clergy, who saw their power threatened as well, being large (and socially conservative) landowners themselves. The Shah's close relationship with the West also angered Khomeini, who attacked the United States in particular in very strong terms.⁸² Hundreds of protesters were killed in the upheaval that followed the demonstration, and many were arrested, including Khomeini, who was later exiled. Still, Khomeini benefitted greatly from this ordeal, becoming much more prominent in Iran, gaining numerous supporters among those opposed to the Shah, as well as strengthening his position within the religious hierarchy.⁸³

While the Shah's reforms were certainly not all popular, the White Revolution clearly holds a significant place in Iranian history. This "revolution" also illustrates the influence of the US in Iran. Though it was largely prompted by Iran's internal problems, it was also influenced by the Kennedy Administration's pressure for reforms. While the Shah did not implement all of the sought-after political reforms, US policymakers were fairly pleased with the new policies. Additionally, they saw no good alternatives to his continued rule.⁸⁴

After 1963, however, there was less emphasis on reform in US policy towards Iran. President Kennedy was assassinated in November of that year, and his successor, Lyndon B. Johnson, stayed generally very supportive of the Shah's rule in Iran. During his presidency, Washington was far less critical of Tehran, and the Shah played his cards well. As the United States became deeply entangled in the quagmire of Vietnam during the Johnson years, the

⁸⁰ Pollack 2005: 85- 88; Summitt 2004: 565, 569.

⁸¹ The statement about rising living standards is based on information provided by Gasiorowski 1991: 185.

⁸² Rubin 1981: 109, 111; Pollack 2005: 84-88; Summitt 2004: 570-571.

⁸³ Pollack 2005: 89; Rubin 1981: 111.

⁸⁴ Katouzian 2000: 20; Summitt 2004: 570; Rubin 1981: 111-112.

Shah was always sure to emphasize his support for America's actions there when meeting with US officials. This gained him a lot of goodwill in Washington.⁸⁵

Johnson was also greatly impressed by Iran's friendly relationship with Israel, a rarity among Muslim nations. The ties between Iran and Israel were extensive, both economically and strategically, and they were crucial elements of what has been called *the alliance of the periphery*. After the Suez Crisis in 1956, Israel had adopted a strategy that in part consisted of forming close relations with non-Arab Middle Eastern states, and in this sense Tehran and Jerusalem were natural partners, in light of their shared status as non-Arab outsiders in the Middle East and their mutual resistance to the spread of radical pan-Arabism and Soviet influence in the region.⁸⁶ While these ties were never official, for political reasons, the close relationship was practically an open secret.⁸⁷ This undoubtedly reinforced the US view of the Shah as a stabilizing force in the Middle East.

In light of the Shah's position as a bulwark against radical forces, and his staunch anti-communism, the improvement of Soviet-Iranian relations in the mid-1960s could be seen as unexpected. Trade between the countries expanded significantly at this time, and several economic agreements were signed, followed by much industrial and economic co-operation between Tehran and Moscow. It appears that the USSR wanted access to the Iranian gas and petroleum, and in return it ceased its criticism of the Shah and support of some of his domestic opponents.⁸⁸

Even as Iran remained a steadfast ally of the United States and the West, the Shah also saw an improved relationship with the Soviets as a way to counter allegations that he was an American puppet, and thereby strengthen his position internally. A relationship with the Soviets gave him some leverage with the United States as well—it made Iran less reliant on Washington's help, while making Washington more attentive to the wishes of Tehran. The Americans did not want to see Iran turning to Moscow for arms sales, for example, and were thus even more motivated to keep the Iranian monarch content. The virtual disappearance of foreign threats to his rule also strengthened the Shah's international position during the 1960s,

⁸⁵ Bill 1988: 169, 176-177.

⁸⁶ Shlaim, Avi. "Israel, the Great Powers, and the Middle East Crisis of 1958" in *Journal of Imperial and Commonwealth History* 27, no. 2, May 1999: 177-192; Ramazani, R.K. "Iran and the Arab-Israeli conflict" in *Middle East Journal*, Vol. 32, No. 4, Autumn 1978: 416, 428; Bill 1988: 176-177.

⁸⁷ Ramazani 1978.

⁸⁸ Saikal 1980: 95-96. Cottam, Richard W.: "Goodbye to America's Shah" in *Foreign Policy*, March 16, 1979: 9.

allowing Iran to play a larger and more independent role on the world stage in the years to come.⁸⁹

Despite the Johnson Administration's general friendliness with Iran, the Shah was not always pleased with the support he got from the United States. He frequently complained to the US government about not getting the weaponry that he wanted, and about having to pay too much for what he bought. While Washington disagreed, it indulged the Shah's requests for increased arms sales, partly due to Iran's status as a vital regional ally.⁹⁰

The US-Iranian relationship faced other difficulties as well during the Johnson years. Anti-American sentiments were still widespread in Iran, particularly following passage of a law in 1964 that gave US military personnel immunity from Iranian law and denied Iranian courts the right to try them for any crimes committed there. This legislation caused uproar in Iran, as much of the public saw it as an attack on the country's sovereignty.⁹¹

The Shah would do little to help lessen these anti-American sentiments in the Iranian population. On the contrary, he would sometimes actively encourage such views, likely as a way of countering the widespread belief that he was Washington's puppet. US officials paid little attention to such developments in Iran. While US-Iranian relations were far from frictionless during the 1960s, they were still very solid as the Johnson presidency came to an end in 1969.⁹²

1969-76: Stronger Ties—But Also Increasing Conflicts

The Nixon administration would increase American ties with Iran to their greatest extent so far. President Richard Nixon and his national security advisor, Henry Kissinger, saw the Shah as a vital geopolitical partner.⁹³ Kissinger in particular was a staunch supporter, who later described the Shah as “that rarest of leaders, an unconditional ally, and one whose understanding of the world enhanced our own.”⁹⁴

Several factors contributed to these men's faith in the Shah. Importantly, the United States grew gradually more reliant on Middle Eastern oil imports during their time in the White

⁸⁹ Saikal 1980: 94-96; Bill 1988: 172

⁹⁰ Bill 1988: 171-172.

⁹¹ Pollack 2005: 93-94; Bill 1988: 179.

⁹² Bill 1988: 169, 178-180.

⁹³ Alvandi, Roham. “Nixon, Kissinger and the Shah: The Origins of Iranian Primacy in the Persian Gulf” in *Diplomatic History*, Vol. 36, Issue 2, April 2012: 365-366, 371.

⁹⁴ Kissinger, Henry. *White House Years*: 1261. New York: Little, Brown and Company, 1979.

House, and Iran's growing oil wealth thus made it increasingly vital for US interests. This rising wealth also made it a lucrative partner in trade, and it allowed Iran to take on a more prominent role as a regional power as well.⁹⁵ Washington was interested in the prospect of Iran assuming the position of "policeman of the Gulf", which touched upon a long-time ambition of the Shah to do the same.⁹⁶ The reasoning was that the Shah could provide stability for the area, ensuring the flow of petroleum, and protecting it against potential aggression from Soviet allies—in part, then, assuming the former role of the British, who in 1968 had announced their imminent departure from the Persian Gulf.⁹⁷ Iran would also serve as a bulwark against radical Arab nationalist activity in the Gulf emirates states, whose future would be uncertain after the British exit.⁹⁸

The value of the Shah for the protection of US interests in the Middle East was clearly demonstrated in the aftermath of the 1973 Arab-Israeli war. Importantly, Iran opposed the oil boycott implemented by the Arab states and continued to provide Israel with oil during the crisis, becoming its primary supplier.⁹⁹ On the other hand, Iran also managed to improve its relations with leading Arab confrontation states at the same time. After Nasser's death in 1970, Iran's relations with Egypt improved considerably, and his successor, Anwar Sadat, came to be regarded as a friend of the Shah. As part of an effort to gain the goodwill of Arab nations, the Shah started criticizing Israel more vociferously. The emergence of Iran as a regional power thus coincided with the improvement of its relations with leading Arab states.¹⁰⁰ As Iran had friendly relations with both sides of the Arab-Israeli conflict, it could at times function as a moderating force.¹⁰¹

The Shah's more critical tone towards Israel was largely a matter of rhetoric, and did not signify a radical change in their bilateral relations. It simply allowed him to improve ties with Egypt, and express support for the relatively moderate Sadat regime, as the Shah feared more

⁹⁵ Samhat, Nayef H.. "Middle Powers and American Foreign Policy: Lessons from Irano-U.S. Relations, 1962-77" in *Policy Studies Journal*, Vol. 28, No. 1, 2000: 14; Rubin 2005: 139-140; Pollack 2005: 104; Iran's great economic progress in the 1960s is also noted in Cottam 1979: 8.

⁹⁶ Alvandi 2012: 365-366; Rubin 1981: 124-25; Saikal 1980: 163.

⁹⁷ Pollack 2005: 103; Samhat 2000: 12-14; Rubin 1981: 125, 130.

⁹⁸ Pollack 2005: 103; Rubin 1981: 125. These states were South Yemen, Oman, Bahrain, Qatar and the UAE. They were considered vulnerable for takeover by Arab nationalist forces, which Washington largely regarded as *de facto* allies of the Soviet Union.

⁹⁹ Parsi, Trita: *Treacherous Alliance: The Secret Dealings of Israel, Iran, and the United States*: 47. New Haven: Yale University Press, 2007; Bakhsh, Shaul: "Iran's Relations with Israel, Syria, and Lebanon," in *Iran at the Crossroads: Global Relations in a Turbulent Decade*: 116 (Rezun, Miron, ed.). San Francisco: Westview Press, 1990.

¹⁰⁰ Ramazani 1978: 419- 420; Parsi 2007: 32-34.

¹⁰¹ Ramazani 1978: 423; Rubin 1981: 140.

radical forces coming to power there. The fear of radicalism also helps to explain why the Shah would strongly support US calls for a peace settlement in the Arab-Israeli conflict. He thought the Soviet Union might exploit a Middle East in turmoil and gain influence in the region if a peace process failed, which in turn would also challenge Iranian interests.¹⁰²

The Shah came to play an increasingly important role in international affairs during the Nixon years, and Washington appreciated his aid to anti-communist forces in several countries. In addition to his role as policeman of the Gulf, the Shah had also helped the United States in areas far away from the Middle East, for instance by giving the Americans support in Vietnam.¹⁰³ Somewhat paradoxically, he also managed to maintain relatively decent relations with the Soviet Union.¹⁰⁴ This illustrates the successful buttressing of Iran's international position over the preceding decade.

In order to establish his country as a regional power, and for security purposes, the Shah wanted to buy more arms from the United States than ever, even though his military budget was already very high. Kissinger was happy to oblige, having informed the Shah in 1972 that he could buy unlimited conventional weapons from the United States, and that Washington would make no objections to his arms requests.¹⁰⁵ In the years that followed, Iran bought enormous amounts of arms, which a significant number of Iranians regarded as a waste of oil income.¹⁰⁶

Many US officials worried about the sales to Iran as well. The State Department, the Defense Department, and the CIA were all concerned about the possible consequences to the Iranian economy, as the arms sales seemingly caused the Shah to overspend. They felt that this could cause economic difficulties in Iran, leading to social unrest, and encourage his domestic opposition. Regardless, though, Nixon would not limit arms sales to Tehran.¹⁰⁷

This was not the only Iran-related issue that proved controversial in Washington during Nixon's presidency. There were also many arguments concerning the price of oil and Iran's role in global oil politics.¹⁰⁸ To pay for his massive spending, and military expenditure in particular, the Shah wanted more oil revenue, and he had extensive influence in OPEC. His

¹⁰² Ramazani 1978: 421-422; Cottam 1979: 9.

¹⁰³ Pollack 2005: 105.

¹⁰⁴ Saikal 1980: 177; Alvandi 2012: 362-363.

¹⁰⁵ Cooper 2012: 69; Rubin 1981: 129; Samhat 2000: 14.

¹⁰⁶ Cottam 1979: 10.

¹⁰⁷ Cooper 2012: 96.

¹⁰⁸ Rubin 1981: 139-140; Pollack 2005: 106; See also Cooper 2012, which analyzes this subject in great detail.

push for price increases alarmed many US Government officials after the oil crisis of 1973, as price hikes were greatly damaging to the economies of the West.¹⁰⁹

Though the Shah's oil policies met increasing criticism in Washington, Nixon and Kissinger persisted in thinking that Iran's strategic importance outweighed the monarch's potentially problematic agenda regarding oil prices, and declined to pressure him too much on this issue.¹¹⁰ It is not hard to ascertain why they preferred to avoid a confrontation with the Shah, as several sectors of the US economy were quite dependent on Iran. Along with the oil industry, both the banking industry and the armaments industry had close ties there.¹¹¹ The vital US espionage facilities in Iran monitoring the Soviet Union represented another strong reason for maintaining good relations with the Shah.¹¹²

After Gerald Ford became President in 1974, the arguments over oil prices grew more heated. Henry Kissinger, who for a while served as both National Security Advisor and Secretary of State, continued to argue that Iran's strategic importance necessitated that the US not pressure the Shah too strongly. However, this view met much resistance within the Ford administration, and others, including Secretary of the Treasury William E. Simon, felt that Washington should use its leverage to pressure the Shah to change course.¹¹³

US policy towards Iran was thus very much a balancing act, but the Ford administration, eventually increased pressure on the Shah to change his policy on oil prices, even while attempting to maintain the close US-Iranian relationship.¹¹⁴ OPEC price increases significantly contributed to a recession in the West and particularly harmed the economies of certain US allies in Western Europe.¹¹⁵ This could only have increased the tensions between Washington and Tehran over oil price levels. Contrary to popular belief in Iran, the Shah was not that much of an American puppet at all, and he had repeatedly challenged US interests through his policies on this issue.¹¹⁶

¹⁰⁹ Rubin 1981: 140-41; Pollack 2005: 107, 120; Cooper 2012: 159-161, 175-179.

¹¹⁰ Rubin 1981: 140; Cottam 1979: 9; Nixon, however, seems to have had "second thoughts about his old friend the Shah" by the end of his presidency in 1974, perhaps thinking that Iran should be pushed harder on oil prices. Cooper 2012: 181.

¹¹¹ Keddie 1981: 177.

¹¹² Cooper 2012: 192-93.

¹¹³ This subject is extensively discussed in Cooper 2012: See for instance, 199-209, 232, 307, 339, 353-356; Simon had long held this view, having (unsuccessfully) advised that Nixon should pressure the Shah over this issue, perhaps even by threatening to limit arms sales to Iran. See Rubin 1981: 240 and Cooper 2012: 175, 191.

¹¹⁴ Cooper 2012: 334, 339, 353-356.

¹¹⁵ Pollack 2005: 120; Cooper 2012: 307-310.

¹¹⁶ Pollack 2005: 106-107; Gasiorowski 1991: 209.

Iran's economy faced its own problems because of the Shah's massive spending, which contributed to a rapid rise in inflation and certain other difficulties.¹¹⁷ The Shah had long been determined to "modernize" Iran, having in 1965 set the goal of Iran becoming a leading economy, with ambitions of having the highest standards of living in the world within 20 years.¹¹⁸ A sweeping process of industrialization and urbanization had been set in motion, coupled with massive construction projects. Iran had been able to finance the industrialization process, and the Shah's general large-scale spending, through its vast increases in oil revenue during the post-war era.¹¹⁹ However, these increases eventually came to a halt, as the Western recession in the 1970s soon led to less oil being imported from Iran. This forced the Shah to cancel many of his large projects, based as they were on the assumption that oil revenues would continue to rise exponentially. These cancellations, in turn, increased unemployment in Iran, and resentment towards the Shah promptly followed.¹²⁰ In the midst of this trouble, the Iranian monarch looked to more oil income to restore prosperity, and the conflict with Washington over price levels would begin to fester.¹²¹

A New Man in the White House

Nevertheless, American-Iranian relations generally remained strong at the end of the Ford presidency. While Iran's long-time ruler certainly had his differences with the president, he still hoped for his re-election.¹²² The Shah did not have a positive view of Ford's opponent, Democrat Jimmy Carter, a peanut farmer and former governor of Georgia who had made human rights a central theme in his foreign policy speeches. Most likely to alarm the Shah was Carter's statement that the United States should reconsider the amount of arms sales to regimes that disrespected human rights. The Shah was therefore displeased with Carter's victory in the presidential election of November 1976. He feared that the new president-elect would pressure him to implement reforms, and thought that the US-Iranian relationship could encounter difficulties in the years to come.¹²³ Little did he or Carter know how dramatic the next few years would actually be.

¹¹⁷ Pollack 2005: 111; Rubin 1981: 155; Cooper 2012: 295.

¹¹⁸ Rubin 1981: 115.

¹¹⁹ *Encyclopædia Iranica*: "Industrialization". <http://www.iranicaonline.org/articles/industrialization-ii> Accessed May 7, 2015.

¹²⁰ *Ibid.*; Pollack 2005: 120; Rubin 1981: 270; Cooper 2012: 297; The increased opposition to the Shah will be discussed further.

¹²¹ This issue will be discussed and documented in the following chapter.

¹²² Pollack 2005: 120-121.

¹²³ *Ibid.*; Cooper 2012: 303.

Chapter 3: A New Policy—Same as the Old Policy?

The year 1977 was an eventful one in the history of US-Iranian relations. A new president took office at a time when the alliance was facing some challenges, and in its initial year, the Carter administration's policy towards Iran would amount to a tough balancing act. How did the president's human rights agenda affect relations with Iran? To what extent did the new administration share the priorities of earlier administrations regarding Iran policy? In what ways did the administration attempt to strengthen the US-Iranian alliance during its first year, and did it succeed?

President Carter's Foreign Policy Agenda

When Jimmy Carter entered the White House on January 20, 1977, it was seen as signaling a new era in US politics.¹²⁴ The former governor of Georgia was an outsider with little experience on the national scene and few close allies in Washington. In addition, his personal character and political instincts were also regarded as something new. For one thing, he was a devout Christian, and his faith shaped his worldview to a large degree. He emphasized morality in politics, and on the campaign trail he made his mark by promising the American people that he would “never tell a lie” and “never betray [their] trust.”¹²⁵ Even though such statements undoubtedly served tactical ends as well, there is no doubt that Carter's moral beliefs were deeply rooted. He wanted to be seen as someone to whom the average American could believe in and relate to.¹²⁶

The moral dimension of Carter's politics was not only apparent on the domestic scene, but also in US international relations. Several of his speeches during the election campaign emphasized that a new direction was needed for American foreign policy, and Carter vowed to make human rights a central tenet in his dealings with other nations. In his view, this aspect had been neglected for too long. Human rights were clearly linked to arms control, as well, and Carter vowed to curb arms sales and limit the spread of advanced weapons.¹²⁷ He also indicated that the United States should limit such sales to regimes with poor records on human rights, and that tougher pressure was needed to turn those around, even when they were allied

¹²⁴ Kaufman 2008: 5.

¹²⁵ This quote is taken from an article in *Time Magazine*, August 3, 1976. <http://content.time.com/time/magazine/article/0,9171,879613,00.html> Accessed May 7, 2015; Other information is also based on the article, as well as on Kaufman 2008: 11-14, 237.

¹²⁶ Kaufman 2008: 5, 12-13.

¹²⁷ Kaufman 2008: 5, 14; Ganji, Babak. *Politics of Confrontation: The Foreign policy of the USA and Revolutionary Iran*: 8. London: Tauris Academic Studies, 2006.

nations.¹²⁸ Carter dismissed the *realpolitik* of Henry Kissinger, which put more weight on power politics than morality in foreign policy, and led, in Carter's view, to American support for repressive governments in the interests of containing Soviet ambitions. Carter wanted to put less emphasis on the Cold War struggle, a central tenet in US foreign policy for three decades.¹²⁹ In his speeches after the election, he continued to stress the importance of human rights and arms reduction.¹³⁰

As the new president settled into office, however, it became clear that changing US foreign policy was harder in practice than in speeches. Carter's goal of bringing a moral dimension to foreign politics met with many obstacles. Some were structural, such as the difficulty of altering long-held habits or traditions. Others originated from conflicts within the Carter administration, which was split when it came to foreign policy, and even within the president himself. The idealism of the president's speeches did not always dovetail with his actual foreign policy, and sometimes he reverted to the traditional Cold War-based line of his predecessors. This was particularly the case when a focus on human rights potentially conflicted with US strategic interests.¹³¹

Forces outside the administration also complicated the implementation of American foreign policy during these years. One such force was the US Congress. While foreign policy disagreements between the executive and legislative branches of government are not unusual, they became even more prominent as a result of Carter's outsider status. This made it difficult to work with Congress at times, because the president found few close allies there.¹³²

A Difficult Start

As the new presidency was about to begin, America's relationship with Iran had seen better days. Several things worried the Shah, starting with Carter's focus on human rights in his foreign policy speeches. This was a touchy subject, as Iran had to deal with a lot of international criticism over this issue. Organizations like Amnesty International often

¹²⁸ Ganji 2006: 8; Pollack 2005: 121.

¹²⁹ Kaufman 2008: 5, 12-13, 15; Skidmore 1996: 39.

¹³⁰ See, for instance, President Carter's speech at the University of Notre Dame, May 22, 1977. "UNIVERSITY OF NOTRE DAME - Address at Commencement Exercises at the University". *The American Presidency Project*: <http://www.presidency.ucsb.edu/ws/?pid=7552> Accessed May 7, 2015.

¹³¹ Brown 1994: 312-313; Kaufman 2008: 5, 16. The last point will be further documented throughout this study; See also Chapter 1, for a further introduction to the administration's split foreign policy line.

¹³² Kaufman 2008: 236-237.

criticized Iran for its record on human rights, and particularly for its harsh treatment of dissidents and political prisoners.¹³³

Iran was regularly criticized in the American press for this poor record, and members of the US Congress had voiced similar views as well. The Iranian government bridled at what it clearly considered to be foreign meddling in its internal affairs, and in early January 1977 it had implored the Ford administration to censor or rebut hostile coverage of Iran. Of course, there was little it could have done, even if it had wanted to.¹³⁴

There was widespread agreement among leading policymakers in the new administration, including Secretary of State Cyrus Vance, National Security Advisor Zbigniew Brzezinski, and the president himself, that the Shah was an important strategic ally, with a broad geopolitical influence.¹³⁵ Still, US Embassy officials in Tehran feared that the Shah was unhappy with the prospects for US-Iranian relations. They accordingly urged that the new president should reach out to the Shah, and reassure him that the United States still valued their friendship. Carter heeded this advice and sent the Shah a warm letter that stated the new administration's recognition of the Shah's important role on the global scene. His administration wanted to learn from the Shah's long experience in world politics, the president claimed, and valued the solid relationship between their nations.¹³⁶

Though the Iranian government's concerns about Carter's intentions were somewhat allayed, Iran's Foreign Minister, Abbas Khalatabari, made it clear that he recommended a meeting between the president and the Shah, to sort out any uncertainty in US-Iranian relations.¹³⁷

¹³³ US Embassy in Tehran to Sec. State, January 19, 1977. National Archives and Records Administration (NARA). Series: Central Foreign Policy Files (CFPF). Document number: 1977TEHRAN00551. Note: All NARA sources were collected from its online pages, using Access to Archival Databases (AAD): <http://aad.archives.gov/aad/> Accessed May 7, 2015. These sources can be looked up by entering the document numbers into the AAD search box; Avery, Peter, Hambly, G.R.G, et al. (eds). *The Cambridge History of Iran, Vol. 7: From Nadir Shah to the Islamic Republic*: 286. Cambridge: Cambridge University Press, 1991; Gasiorowski 1991: 156, 193; Pollack 2005: 121.

¹³⁴ US Embassy in Tehran to Sec. State, January 10, 1977. NARA, CFPF, 1977TEHRAN00241.

¹³⁵ Carter, Jimmy. *Keeping Faith: Memoirs of a President*: 440. New York: Bantam Books, 1982; Vance, Cyrus. *Hard Choices*: 314, 316. New York: Simon & Schuster, 1983; Brzezinski 1983: 357.

¹³⁶ Quandt and Sick to Brzezinski, January 24, 1977. NLC-6-28-6-4-5; Carter to the Shah of Iran, February 7, 1977. Jimmy Carter Library, NLC-15-20-1-2-0. Note: These NLC codes are printed on the documents found in the Carter Library by using its CREST (CIA Records Search Tool) machines. The number code refers to their physical location in the library. The first number refers to what collection the document belongs to, the second number to its box, the third number to its folder, and the fourth and fifth numbers refer to its location within the folder.

¹³⁷ US Embassy in Tehran to Sec. State, February 12, 1977. NLC-15-20-1-0-2; Sec. State to US Embassy in Tehran et al., February 15, 1977. NARA, CFPF, 1977STATE034496.

Oil Price Disputes Continue

In addition to the new president's stated human rights focus, there were other issues that caused difficulties in US-Iranian relations as well. A major ongoing dispute concerned oil prices.¹³⁸ Therefore, the Carter administration had to continue its predecessor's work in trying to convince Iran to support an oil price agenda that was beneficial for the economies of the West. Inside OPEC, the Iranian government remained a leading proponent of raising oil prices, believing that this was necessary to give the producing nations fair compensation. Additionally, price raises were needed to fund the Shah's military spending and his ambition to make Iran a leading industrial nation.¹³⁹

The United States remained convinced, particularly in light of the oil crisis of 1973, that further price increases would cause more problems for the economies of the West. Massive price raises had caused great difficulties for allied nations in Western Europe, and Washington worried that further increases could cause more instability in these countries. Washington felt that the West needed stable oil prices, and thus pushed for a price freeze in 1977.¹⁴⁰

Its closest ally in OPEC on this issue was Saudi Arabia, which shared US concerns about the effect on the economies of Europe. The Saudis had earlier threatened to increase their oil production in order to bring down prices, straining their relations with Iran. The Shah claimed that he would view overproduction by Saudi-Arabia or anyone else as a hostile act. He further warned that if Iran suffered large losses in oil revenue, the stability and security of the Persian Gulf itself might be at stake, as Iran would have to cut back on military spending and limit its regional role.¹⁴¹ Other factors likely contributed to the Shah's reluctance to accept a price freeze. Iran had already suffered a fall in projected oil revenue for 1977, leading to several

¹³⁸ Profile of the Shah, January 11, 1977. NLC-25-28-2-1-1. By context, it appears that this profile was meant as a briefing for incoming officials of the new administration; The oil price issue was also discussed in Chapter 2.

¹³⁹ Profile of the Shah, January 11, 1977. NLC-25-28-2-1-1; US Embassy in Lusaka to Sec. State, January 26, 1977. NARA, CFPF, 1977LUSAKA00237; See also Chapter 2 of this study

¹⁴⁰ Quandt and Sick to Brzezinski, January 24, 1977. NLC-6-28-6-4-5; For more background on this dispute, see Chapter 2 as well as Cooper 2012. While Cooper's study, by and large, focuses on the Nixon/Ford years – despite its cover page strangely indicating otherwise – it also briefly discusses some aspects of the Carter Administration's oil policy during 1977, in its last few pages.

¹⁴¹ US Embassy in Tehran to Sec.State, February 16, 1977. NARA, CFPF, 1977TEHRAN01547; For more on the oil price disputes between Iran and Saudi Arabia, which had been brewing for years, see Cooper 2012.

budget cuts.¹⁴² An oil price increase might reasonably be expected to raise revenue and ease these sacrifices.

While American officials did not endorse Iran's agenda on oil prices, they must have seen several reasons not to pressure the Shah too strongly. As ever, Iran was thought to be very important to US security interests in the Middle East, by virtue of its geographical position and military strength. Washington relied on Iran, along with Saudi-Arabia, to secure the supply of oil to the West, and especially to protect the Strait of Hormuz. Approximately two-thirds of the world's oil supplies passed through, and it was regarded as the most economically vital strait worldwide.¹⁴³

Clearly, the United States did not want the Shah to make good on his threat to reduce Iran's regional role should oil prices fall. And were Washington to force his retreat on this issue, it might also have been feared to weaken his position in Iran, thus endangering his rule. In addition to the other factors that made the Shah a vital ally for Washington, the intelligence co-operation between Iran and the US was also extensive, providing valued information, with important American intelligence facilities being located in Iran. All of this would be threatened if other forces were to take power there. The Shah's principal domestic threats in recent decades had come from conservative Muslims and the communist-supported left, according to the US Embassy in Tehran. As these forces were equally hostile towards the West, it was imperative that the Shah stayed in power.¹⁴⁴

Last but not least was Iran's aforementioned close relationship with Israel. The Iranians provided Israel with most of its imported oil, there was close technological and intelligence cooperation between the two countries, and both Jerusalem and Washington strongly valued this alignment.¹⁴⁵ While Iran had begun to step up its public criticism of Israel, and voice more support for the Arab/Palestinian side of the Middle East conflict in recent years, there was a clear understanding in Israel that the Shah's public rhetoric was "just words."¹⁴⁶ As long as Iran continued to be a reliable supplier of oil to Israel and the West, refusing to go

¹⁴² The fall in oil revenue and budget is discussed in a memorandum from the US Embassy in Tehran to Sec. State, February 23, 1977. NARA, CFPF, 1977TEHRAN01657.

¹⁴³ Quandt and Sick to Brzezinski, January 24, 1977. NLC-6-28-6-4-5; Ramazani, R.K. *The Persian Gulf and the Strait of Hormuz*: 9, 11, 119, 127. Aalphen aan Den Rijn: Sijthoff & Noordhoff, 1979.

¹⁴⁴ US Embassy in Tehran to Sec. State, April 5, 1977. NARA, CFPF, 1977TEHRAN02930.

¹⁴⁵ Sec. State to White House, August 23, 1977. NARA, CFPF, 1977STATE200528; State Department analysis, November 27, 1977. NLC-5-5-7-12-1; Parsi 2007: 75.

¹⁴⁶ Quote taken from: US Embassy in Tehran to Sec. State, March 24, 1977. NARA, CFPF, 1977TEHRAN02576; see also Parsi 2007: 75-77 and Ramazani 1978; 422; See Chapter 2 for more information on Israel-Iran relations.

along with OPEC embargos, and looked after US interests in the region, there were clearly ample reasons why Washington did not want to push the Shah too hard on prices.¹⁴⁷

American Human Rights policy and Iranian Liberalization Reforms

In addition to these other balancing acts, there now arose the human rights issue. While the president had frequently emphasized its importance, it would be risky for his administration to echo the existing criticism of human rights organizations regarding Iran. As a result, it is not clear how much pressure Carter actually exerted on Iran here, and analysts disagree in their assessment of his human rights policy and its effects. One view is that Carter showed little concern for human rights in Iran, preferring to focus such criticism on states that were less strategically important.¹⁴⁸ Another view is that the administration put a lot of pressure on Iran, and that the Shah came to believe that he needed to make reforms to preserve a strong US-Iranian relationship.¹⁴⁹ Neither outlook provides the full picture, however. It is true that the Shah introduced certain reforms in the early days of the Carter administration, but it is difficult to verify to what extent this was motivated by its focus on human rights. The long-time criticism from organizations like Amnesty International may also have affected the Shah's reform process, which was already ongoing at the start of the Carter presidency.¹⁵⁰

Still, US officials clearly had many talks with their Iranian counterparts over the issue of human rights abuses. "Fostering greater Iranian support for the Carter administration's emphasis on improved human rights," as stated by the US Embassy in Tehran, was clearly a vital goal.¹⁵¹ American diplomats were to tell the Iranian government that its human rights problems caused concern in the United States, "both in terms of Iran's image as a de facto ally of the US and for Iran's own future stability in which the US is interested."¹⁵²

This illustrates that there were evidently larger concerns at play here as well. Significantly, it could hurt the Carter administration's general credibility on the issue if there were human rights abuses in an allied nation. It was also thought that some reforms in this regard might in fact strengthen Iran's stability and security in the long run. Still, the embassy made clear that the US government should not excessively denounce the Shah on this issue, nor show too

¹⁴⁷ See, for instance, US Embassy in Tehran to Sec. State, April 5, 1977. NARA, CFPF, 1977TEHRAN02930.

¹⁴⁸ Moens, Alexander. "President Carter's Advisors and the Fall of the Shah" in *Political Science Quarterly*, Vol. 106, No. 2, Summer 1991: 216; Ramazani 1979: 119.

¹⁴⁹ Ganji 2006: Chapter 2.

¹⁵⁰ Bill 1988: 219; Keddie 1981: 232; Such criticism has been noted earlier. See Avery, et al. (eds) 1991: 286, Gasiorowski 1991: 193.

¹⁵¹ US Embassy in Tehran to Sec. State, April 5, 1977. NARA, CFPF, 1977TEHRAN02930.

¹⁵² Ibid.

much support for his critics' views. The American diplomats in Tehran remained generally cautious, and even partly defended Iran's human rights record, pointing out that Westerners should not expect an Iranian regime to espouse Western democratic and liberal values that were alien to that country's traditions.¹⁵³

The embassy also argued that conflicts over this issue could hurt US strategic interests in Iran, as worsened US-Iranian relations might make co-operation in other areas more difficult—a view that in all likelihood was taken into account by Washington. Still, US policymakers often broached the subject with the Iranian government, and were pleased by the response. They believed their message was getting through to the Shah and that he was concerned about the bad press his government was receiving.¹⁵⁴ Yet a consistent human rights policy proved elusive, given the circumstances. In late 1977, NSC staff member Samuel Huntington could still describe Iran as one of the countries with which the United States had not prioritized the human rights issue, because of other concerns.¹⁵⁵

The pressure Washington put on the Shah was therefore of limited force. Nevertheless, it is clear that the Shah did make some reforms in early 1977, accelerating these after Carter's election. Freedom of speech was increased and human rights organizations were allowed to visit Iranian prisons.¹⁵⁶ This progress was likely due as much to the Shah's trepidation about the Carter administration as to the administration's actual leverage with the Iranian government. While the US government did not appear to regard human rights as its highest priority in Iran, the president's stated emphasis on the importance of this subject still affected the Shah, who feared hurting their alliance if he did not implement reforms.¹⁵⁷

Carter's human rights focus also inspired Iranian oppositional elements to criticize the Shah more openly, under the assumption that Washington would not tolerate any more crackdowns

¹⁵³ Ibid.

¹⁵⁴ Ibid.; Ramazani 1979: 119; Director of the United States Information Agency (Reinhardt) to Deputy Secretary of State Christopher, June 16, 1977. *Foreign Relations of the United States, 1977-1980* (henceforth *FRUS*), Volume II, *Human Rights and Humanitarian Affairs*: Document 60.

<https://history.state.gov/historicaldocuments/frus1977-80v02> Accessed May 7, 2015; US Embassy in Tehran to Sec. State, April 12, 1977. NARA, CFPF, 1977TEHRAN03153.

¹⁵⁵ Tuchman (NSC) to Brzezinski, July 20, 1977. *FRUS, 1977-1980, Volume II*: Document 69; Huntington (NSC) to the President's Counsel (Lipshutz), October 11, 1977. *FRUS, 1977-1980, Volume II*: Document 81; Huntington's view was also supported by Tuchman, in the previously cited document.

¹⁵⁶ Brzezinski to Carter, November 14, 1977. NLC-SAFE 17B- 6-28-1-7; For more on these reforms, see Rubin 1981: 192-193.

¹⁵⁷ Keddie 1981: 231; Pollack 2005: 121-122; Bill 1988: 221; US Embassy in Tehran to Sec. State, August 10, 1977. NARA, CFPF, 1977TEHRAN07086; US Embassy in Tehran to Sec. State, December 27, 1977. NARA, CFPF, 1977TEHRAN11408; This issue will be discussed in greater detail.

in Iran. While this belief was not entirely correct, it still contributed to increased public criticism of the Shah and opposition to his rule.¹⁵⁸

Negotiations over the Sale of Advanced Military Aircrafts

In May 1977, Secretary of State Vance made a visit to Iran to discuss a number of important issues with the Shah, including certain sensitive subjects. While the issue of human rights was not the primary focus of Vance's trip, he did not hesitate to emphasize Washington's position or bring up the status of human rights in Iran. According to Vance, the Shah was rather defensive during this conversation.¹⁵⁹

Another difficult issue was the proposed sale of Boeing 707 military planes, known to as AWACS, to Iran.¹⁶⁰ These aircrafts were equipped with advanced radar and communications technology. Talks about providing Iran with an improved air defense system had begun during the previous administration, and Carter was intent on getting Congress to approve the sale.¹⁶¹ Cold War factors were likely a central reason why his administration sought to bolster Iran's defensive capabilities. As stated by the embassy in Tehran, one of the primary goals of the US government in its Iran policy continued to be "Maintaining a stable, independent non-communist and cooperative Iran which has the strength and will to resist potential Soviet aggressiveness, whether direct or indirect, and to continue its role for stability in the Persian Gulf, Middle East, and South Asia."¹⁶² Such considerations must naturally have influenced the administration in its decision to support the sale of AWACS planes to Iran.

In April 1977, the president promised to sell five AWACS planes to Iran. It was a smaller number than what had originally been discussed during the Ford administration, and the Shah responded by requesting nine planes.¹⁶³ A few days before Vance's visit, he had sent a letter to Carter to defend his response. More planes were necessary, the Shah argued, for Iran's own

¹⁵⁸ Keddie 1981: 231; Abrahamian, Ervand. *Iran between Two Revolutions*: 500. Princeton: Princeton University Press, 1982; US Embassy in Tehran to Sec. State, August 10, 1977. NARA, CFPF, 1977TEHRAN07086.

¹⁵⁹ Vance 1983: 318-319. While Kenneth Pollack (2005: 122) appears to believe that Vance hardly focused on the human rights issue at all during his visit, there is little reason to doubt the latter's account of his conversation with the Shah. The secretary of state likely did bring up the issue, even if discussing human rights reforms was not one of Washington's primary aims for this trip to Tehran. This fits well with what primary sources generally indicate about the administration's priorities in its Iran policy, as illustrated in this chapter.

¹⁶⁰ "AWACS" is an acronym for "Airborne Warning and Control System."

¹⁶¹ Gayner, Jeffrey B. "Limiting arms sales and the Iranian AWACS proposal". Analysis for *The Heritage Foundation*, September 20, 1977. http://s3.amazonaws.com/thf_media/1977/pdf/bg36.pdf Accessed May 7, 2015; Vance 1983: 318-320.

¹⁶² US Embassy in Tehran to Sec. State, April 5, 1977. NARA, CFPF, 1977TEHRAN02930.

¹⁶³ Sec. State to US Embassy in Tehran, May 4, 1977. NARA, CFPF, 1977STATE200998.; Sec. State to US Embassy in Tehran, May 5, 1977. NARA, CFPF, 1977STATE102367

security needs and because of its regional role. He noted that America also benefited from a strong Iran, which helped to guarantee the stability of the region and of the Indian Ocean.¹⁶⁴

Interestingly, there was some disagreement within the Carter administration about the specifics of the AWACS sale at the time of Vance's visit. While the State Department supported the president's decision, the Department of Defense argued that the United States should sell nine AWACS, as the Shah had requested.¹⁶⁵ These differences can be seen in light of the administration's general split foreign policy line, in which balancing US strategic interests and humanitarian ideals was often a central dilemma. The State Department seems to have been influenced by such ideals to a great extent, affecting its line on many issues, and was at times more skeptical about large-scale arms sales than the Defense Department.¹⁶⁶

Vance assured the Shah that the administration was intent on selling him these aircrafts, but cautioned, as well, that it would eventually reduce arms sales to Iran, which would need to meet its security requirements in other ways. A picture emerges of the conflicted and sometimes contradictory foreign policy of the Carter administration. On the one hand the president had committed to cutting back on arms sales, and he wanted to uphold this pledge. However, Carter also saw the need to strengthen US allies, which must have been particularly important in light of the Shah's position as the policeman of the Gulf. In this way, the administration's priorities were similar to that of its predecessors, despite the president's earlier calls for a less Cold War-based foreign policy.¹⁶⁷

In general, then, the Shah's emphasis on his country's strategic role and security needs likely influenced Carter to increase the number of AWACS to be sold to Iran. In a letter responding to the Shah, sent shortly after Vance's visit, the president said that he would now recommend the sale of seven AWACS aircrafts. While this was less than what the Shah had requested, it was more than what was proposed earlier. Though such numbers may not appear to be very significant at first, they illustrate how Carter wanted to have it both ways, simultaneously

¹⁶⁴ Sec. State to US Embassy in Tehran, May 5, 1977. NARA, CFPPF, 1977STATE102367.

¹⁶⁵ Sec. State to US Del. Secretary, May 12, 1977. NARA, CFPPF, 1977STATE107737.

¹⁶⁶ Chapter 4 will illustrate this, particularly when covering the arms sales debate that year, in which Secretary of Defense Brown was clearly less interested in pursuing an arms restraint policy than Vance; See also Chapter 1.

¹⁶⁷ Vance 1983: 318; This view of the administration's reasoning is indirectly supported by documents that discusses its general goals in its policy towards Iran (also cited later in this chapter). See for instance, Sec. State to US Embassy in Tehran, September 1, 1977. NARA, CFPPF, 1977STATE210163; Sec. State to US Embassy in Tehran, September 7, 1977. NARA, CFPPF, 1977STATE213389; An earlier cited document also illustrates that containment of the Soviet Union remained a vital factor in Washington's Iran policy: US Embassy in Tehran to Sec. State, April 5, 1977. NARA, CFPPF, 1977TEHRAN02930.

wanting to show restraint in arms sales and to strengthen Iran militarily. In his own words: “I believe [that selling seven AWACS aircrafts] fairly reflects both Iran’s military requirements and our basic objective of exercising restraint in the field of arms transfers.”¹⁶⁸ The president also used the letter to welcome the Shah for a planned visit to Washington in November.¹⁶⁹

Congress Creates Difficulties

While the visit to Tehran included constructive discussions, it did not resolve any of the differences between the United States and Iran. While the Carter administration basically endorsed the Shah’s position on the AWACS sale, only discussing the details, it would not be easy to clear the arrangement with the US Congress. Other problematic issues also persisted, including Iran’s human rights record. Even if the Shah had introduced certain reforms, he remained skeptical of the Western ideal of human rights in general, and, in a June meeting with the American ambassador to Iran, William Sullivan, he fiercely defended his country. The Shah emphasized Iran’s long history and traditions, and insisted that the United States must respect the cultural differences. Sullivan pointed to the use of torture in Iran’s prisons, but the Shah claimed that Iran had stopped this practice six months earlier. However, this was not believed by the ambassador. The monarch also promised further human rights reforms.¹⁷⁰

Sullivan also brought up oil prices, which remained a very contentious subject, despite earlier Iranian signals of an inclination to compromise. The Shah had long been considered to be vital in preventing OPEC from implementing a price increase. Iran was still pressing for a price raise, hoping to get one in July that year, and the United States clearly wanted the Shah to desist.¹⁷¹ Iran’s difficulties with Saudi-Arabia on prices persisted, and the ambassador argued that the Shah’s reputation as a “price hawk” was hurting his image in the West.¹⁷²

This poor image, which the human rights issue only made worse, may have made it more difficult to get the AWACS sale approved. Unfriendly views in Congress towards Iran caused problems for the president when trying to persuade its members to approve the deal. A more significant problem though was the general Congressional attitude towards arms sales, which had grown quite negative. As Iran was clearly the largest buyer of US arms, the AWACS sale

¹⁶⁸ Sec. State to US Embassy in Tehran, May 24, 1977. NARA, CFPF, 1977STATE119991.

¹⁶⁹ Ibid.

¹⁷⁰ Gayner 1977; US Embassy in Tehran to Sec. State, June 19, 1977. NARA, CFPF, 1977TEHRAN05361; Global Issues to Brzezinski, June 20, 1977. NLC-28-36-2-30-7.

¹⁷¹ US Embassy in Jidda to Sec. State, April 27, 1977. NARA, CFPF, 1977JIDDA03106; Sec. State to USDEL Secretary, May 7, 1977. NARA, CFPF, 1977STATE104867; US Embassy in Tehran to Sec. State, June 19, 1977. NARA, CFPF, 1977TEHRAN05361.

¹⁷² US Embassy in Tehran to Sec. State, June 19, 1977. NARA, CFPF, 1977TEHRAN05361.

was a tempting target. Sullivan told the Shah that there were other problems related to the sale as well, including Carter's hopes for bilateral disarmament. The president believed that if the United States were to take the lead in reducing arms sales, it might encourage the USSR to start a disarmament process as well. In response, the Shah observed that if the US declined to sell him the arms he wanted, he could easily get them elsewhere.¹⁷³

As such, the Iranian leader pointed out an inherent dilemma in Carter's commitment to reduce the amount of weapons around the world: unless other countries set upon the same, there was little benefit in doing so. While it cannot be conclusively proven that this factor influenced the administration's decisions regarding arms sales to Iran, it is clear that US officials were well aware of this dilemma.¹⁷⁴

The Shah also attempted to influence American policy in other ways. In the meeting with Sullivan he expressed a very gloomy view regarding the situation in the Middle East. He expressed doubts towards about the possibility of a peace agreement between Egypt and Israel, and warned that the Soviets would use the troubled situation in the region to their advantage. The implications of these arguments, whether the Shah really believed them or not, were clear: regimes friendly to the US could be at risk, and Iran's military capability should therefore be more of a priority for Washington.¹⁷⁵ Of course, this was not the first time the Shah had played the "Cold War card," as the Americans had in the past shown themselves to be more likely to provide support to Iran if they believed the Shah's rule to be under threat.¹⁷⁶

All of these aspects were undoubtedly in Carter's mind during the AWACS debate, which had grown heated by July. The president was particularly criticized in light of his general emphasis on arms restraint. Congressional critics asserted that the proposed sale of seven AWACS planes damaged the credibility of the administration, even more so as the expenditure of Iran-bound weaponry already accounted for over half of US arms sales in 1977.¹⁷⁷ Some opponents of the sale had also expressed their worries that the Iranians were

¹⁷³ Ibid.; US Embassy in Tehran to Sec. State, June 19, 1977. NARA, CFPF, 1977TEHRAN05364; Earlier Congressional criticism of the Iranian regime was briefly noted in this chapter.

¹⁷⁴ This emerges clearly in an earlier telegram from the US Embassy in Tehran to Sec. State, which discusses the general subject of arms sales to Iran. It argues that unilateral US actions to limit arms sales would not serve much effect, as the Shah had signaled he could go to other suppliers instead, including the Soviet Union. April 5, 1977. NARA, CFPF, 1977TEHRAN02930

¹⁷⁵ US Embassy in Tehran to Sec. State, June 20, 1977. NARA, CFPF, 1977TEHRAN05402.

¹⁷⁶ This had often been true in the past, as noted in Saikal 1980: 70. Chapter 2 also contains some analysis of the frequent use of the "Cold War card".

¹⁷⁷ Gayner 1977: 1-4; Sec. State to the US Mission in Geneva, July 12, 1977. NARA, CFPF, 1977STATE 161564.

not to be trusted with the AWACS technology, and several members of Congress apparently did not consider Iran to be a reliable ally.¹⁷⁸

Senator Thomas Eagleton, for instance, expressed his conviction that "logic dictates our taking a skeptical look at the proposal to transfer this technology to a semi-literate country which does not have the resources to absorb it."¹⁷⁹ Others argued that the AWACS sale overshot Iran's actual defense needs, and clearly felt that they were "already hostages to Iran's insatiable appetite for sophisticated weaponry," in the words of Senator John Culver.¹⁸⁰ Opponents also worried that this highly advanced and classified technology could be shared with the Soviets, through espionage or outright theft.¹⁸¹ CIA director Stansfield Turner shared these congressional concerns regarding the physical security of AWACS in Iran.¹⁸²

During this debate, President Carter sent another letter to assure the Shah that he strongly supported the security relationship that had developed between their countries, and emphasized that he had personally approved the sales of large quantities of military equipment to Iran. Given the ongoing AWACS debate in Congress, however, he cautioned the Shah to wait on pressing for any more weaponry, as this might jeopardize both this proposal and other arms sales. The president also stated that he remained committed to reducing arms sales in general, which would necessarily have consequences for Iran over the next few years.¹⁸³ However, he indicated that any reductions of this kind should be made in understanding with Tehran, and that they could be implemented "in a manner fully consistent with Iranian security needs."¹⁸⁴

At the same time, the US Congress held hearings regarding the AWACS sale, which had received a fair bit of media attention—some stories concluded that the sale represented an exception to Carter's arms restraint policy. In response, US officials argued that the policy guidelines had always stated that in special cases, when friendly governments needed weapons to maintain the regional balance, this restraint would not be binding.¹⁸⁵ During the hearings, then, Iran's special situation was emphasized by Senator Barry Goldwater, who

¹⁷⁸ Gayner 1977: 4.

¹⁷⁹ Ibid.

¹⁸⁰ Ibid.

¹⁸¹ Gayner 1977: 5-7

¹⁸² Turner sent a letter to the president on July 7, 1977, where he expressed these doubts. This letter was later discussed in a memorandum from Brzezinski to Carter, August 23, 1977. NLC-15-20-1-14-7.

¹⁸³ Sec. State to US Embassy in Tehran, July 19, 1977. NARA, CFPF, 1977STATE168375.

¹⁸⁴ Ibid.

¹⁸⁵ US Embassy in Tehran to Sec. State, July 24, 1977. NARA, CFPF, 1977TEHRAN06509.

strongly supported the sale because of the Shah's role as a bulwark against Soviet influence in the Middle East and Iran's strategically important location in relation to the USSR. Alfred Atherton of the State Department argued along these lines as well, emphasizing Iran's importance for regional stability, and specifically its need for an improved air defense system. Secretary of State Vance added his support to similar arguments, in the hopes of getting Congress to accept the sale.¹⁸⁶

While there was some opposition towards the sale amongst less senior State Department officials, the Carter administration in general was strongly in favor, both for Iran's national security and in the interests of continued strong US-Iranian relations.¹⁸⁷ As illustrated by the president's letters to the Shah, Washington was clearly very wary of aggravating the Iranian government, as not providing Iran with AWACS was likely feared to weaken this strategically vital relationship.

Such concerns could only have been strengthened by the Shah's reaction to the extended congressional debate. He found the criticism of Iran, and the doubt expressed towards his government, to be intolerable. Thus, the Shah instructed his officials to express his intentions to withdraw from the AWACS negotiations and go elsewhere for a similar deal. Ambassador Sullivan had noted the monarch's anger, and managed to persuade him to hold off. Still, the Shah continued to profess concern regarding the direction of the relationship between their countries, arguing that much more than AWACS aircrafts were at stake.¹⁸⁸ He may well have worried that the administration did not prioritize Iran enough to push this sale through, but likely also hoped to put further pressure on the US government at this sensitive time.

A Pyrrhic Victory?

Congressional action delayed the AWACS sale. Given the large number of senators and congressmen who were opposed, the president did not want to risk a humiliating defeat in the legislative branch. As such, there was little progress by late August. Carter clearly worried

¹⁸⁶ *Sale of AWACS to Iran: Hearings before the Subcommittee on Foreign Assistance and the Committee on Foreign Relations, United States Senate, Ninety-fifth Congress, first session: 28-32, 79.* Washington : U.S. Govt. Print. Off., 1977. Digitalized version, belonging to the University of Michigan (1977): <http://babel.hathitrust.org/cgi/pt?id=mdp.39015078615948;view=1up;seq=1> Accessed May 7, 2015; Gayner 1977: 4.

¹⁸⁷ *Sales of Awacs to Iran [...]*, Ibid.: 32; Ganji 2006: 24; Summary of Policy Committee Meeting (PRC), White House, July 12, 1977. *FRUS, 1977-1980, Volume VIII, Arab-Israeli Dispute, January 1977–August 1978*: Document 50. <https://history.state.gov/historicaldocuments/frus1977-80v08> Accessed May 7, 2015.

¹⁸⁸ US Embassy in Tehran to Sec. State, July 31, 1977. NARA, CFPF, 1977TEHRAN06780; Sec. State to US Del. Secretary, August 1, 1977. NARA, CFPF, 1977STATE179615.

about the reaction of the Shah, and he sent the Iranian monarch another letter, repeating his intention to get the sale through Congress, though events outside his control had caused a delay.¹⁸⁹ Carter expressed confidence that the sale would be approved in the coming month and noted that he appreciated the Shah's "patience and assistance in this difficult matter."¹⁹⁰

There were many reasons for the president's solicitousness: Iran's strategic importance, moderate and constructive positions regarding the Arab-Israeli conflict, and continued oil sales to the United States and its allies must all have factored in to Carter's calculations. Furthermore, the US government wanted to encourage Iran to increase security co-operation with the Saudis, in the interest of the protection of the Gulf.¹⁹¹ The latter point illustrates that the Shah's role as "policeman" was still seen as vital by the US government. Despite Carter's desire for the United States to be less focused on the Soviet Union, traditional Cold War-related concerns clearly remained a primary emphasis in the nation's foreign policy.

The president emphasized some of these points in a letter to congressional leaders in early September, in which he strongly encouraged them to approve the AWACS sale. He argued that by helping Iran build its defenses, they would also be serving US security interests in the Middle East, and he assured them that the Iranians were fully capable of protecting and handling this advanced military technology.¹⁹² Despite Carter's plea, however, it proved difficult to finalize the AWACS sale, and there was even more criticism of Iran in Congress, which again disturbed the Iranian monarch.¹⁹³

Ultimately, the AWACS proposal passed both houses of Congress in October, largely thanks to the efforts of the president himself. Still, the process had seemingly shaken the Shah's faith in the United States as a dependable ally, and it would become a central concern for President Carter during the Shah's pending visit to Washington to convince him that his administration was firmly in favor of a continuation of the close relationship between their two countries.¹⁹⁴

¹⁸⁹ Gayner 1977: 2; Sec. State to US Embassy in Tehran, August 30, 1977. NARA, CFPPF, 1977STATE206851.

¹⁹⁰ Sec. State to US Embassy in Tehran, August 30, 1977. NARA, CFPPF, 1977STATE206851.

¹⁹¹ Sec. State to US Embassy in Tehran, September 1, 1977. NARA, CFPPF, 1977STATE210163.

While this document does not specifically name the USSR, it clearly refers to Iran's role as "policeman of the Gulf". "Protection" must thus primarily mean protection against the Soviets and their allies, which was a vital priority for the Carter Administration in its Iran policy, as earlier illustrated. The view of Iran as a potential force of moderation in the Arab-Israeli conflict was noted in Chapter 2, and will be discussed further as well.

¹⁹² Sec. State to US Embassy in Tehran, September 7, 1977. NARA, CFPPF, 1977STATE213389.

¹⁹³ US Embassy in Tehran to Sec. State, October 13, 1977. NARA, CFPPF, 1977TEHRAN09059.

¹⁹⁴ Vance 1983: 320-321; Vance to Carter, November 10, 1977. NLC-5-5-7-9-5.

As a side note, it is interesting that Carter's only mention of the AWACS sale in his revised and published presidential diary implies that he cared little whether Iran bought these planes from the US.¹⁹⁵ This provides, perhaps unintentionally, a rather misleading idea of his significant role in getting the sale approved.

Increased Dissidence in Iran

Meanwhile, the Iranian government was experiencing some domestic unrest during the autumn of 1977. Open dissidence towards the Shah had increased, and petitions called for greater freedom of speech and other civil liberties. Many dissidents had been encouraged by American attention towards the status of human rights in Iran.¹⁹⁶ However, US policy towards Iran did not always serve the intended end. If Carter's interest in human rights brought with it certain headaches for the Shah, this was certainly not Washington's intention. All of the principals of the Carter administration recognized the Shah's strategic value, and though the administration was not fond of Iran's system of government in general, it began to receive reports of positive signs.¹⁹⁷ The US Embassy regarded an increase in real political debate in Iran as indicative of the Shah's intention to liberalize and encourage "constructive criticism" of his government.¹⁹⁸

The unrest was connected to economic difficulties in Iran that included inflation and housing shortages in the cities.¹⁹⁹ Absent a systematic program of liberalization, the Shah nevertheless signaled some policy changes throughout the autumn of 1977. This included the release of several political prisoners, likely in response to international pressure regarding human rights issues. If he also hoped to quiet unrest in this way, it did not have the desired effect. Student oppositionist groups, long a source of irritation for the Shah, continued to make trouble throughout the year. Though this attracted the attention of American officials, nothing indicates that the US government was concerned about the Shah's internal position.²⁰⁰ He had faced similar opposition and protests in the past, and continued to dominate Iranian politics.

¹⁹⁵ Carter, Jimmy. *White House Diary*: 74-75. New York: Farrar, Strauss and Giroux, 2010.

¹⁹⁶ US Embassy in Tehran to Sec. State, August 10, 1977. NARA, CFPPF, 1977TEHRAN07086; Abrahamian 1982: 500; Keddie 1981: 231-232.

¹⁹⁷ US Embassy in Tehran to Sec. State, August 29, 1977. NARA, CFPPF, 1977TEHRAN07698; The fact that leading members of the administration all appreciated the Shah's value as a US ally has been documented earlier in this chapter.

¹⁹⁸ US Embassy in Tehran to Sec. State, August 29, 1977. NARA, CFPPF, 1977TEHRAN07698.

¹⁹⁹ US Embassy in Tehran to Sec. State, September 4, 1977. NARA, CFPPF, 1977TEHRAN07869; For more on Iran's economic difficulties, both during this period and in previous years, see Pollack 2005: 111-113.

²⁰⁰ US Embassy in Tehran to Sec. State, September 28, 1977. NARA, CFPPF, 1977TEHRAN08544; the Shah's somewhat inconsistent approach in pursuing liberalizations reforms is noted in Bill 1988: 325.

Even in late 1977, the Iranian monarch seemed to be as firmly entrenched in his position as ever.²⁰¹

Towards a Temporary Solution on Oil Prices

A key issue for the president during the Shah's forthcoming visit would be Iran's line on oil prices. By late October, it was still unclear what OPEC would do, and the Carter administration continued to press for a price freeze, because it considered that even a modest price increase could damage both the United States and the world economy. The US Department of State told its embassies in the OPEC countries to emphasize that any decision to increase prices would negatively affect their relations with the United States.²⁰²

Probably due to all of this pressure, the Shah had somewhat moderated his earlier position, and now seemed more open to a compromise. He may also have assumed more support from Washington, on controversial issues such as future arms sales, if Iran backed down on oil prices. At a meeting with US Secretary of the Treasury, Michael Blumenthal, the Shah indicated that he would not oppose a price freeze if the OPEC nations decided on one.²⁰³

While Iran's new passivity on this issue did not give the United States everything it wanted, it still represented great progress when compared to the Shah's earlier adamant stand. Obtaining a price freeze was a number-one priority in the international economic policy of the US, and Secretary of State Vance had noted that "For the next two months, the primary concern in our relationship with all OPEC countries, especially Venezuela and Iran, will be their behavior on oil prices."²⁰⁴ As such, the Shah's impending visit to the United States was thought to be a good opportunity for Carter to convince him to make further concessions on oil price levels.²⁰⁵

While the oil price issue was moving in a positive direction for the Carter administration, other factors remained worrisome in advance of the Shah's visit. One group that had made itself heard particularly at this point in time was Iranian exchange students, many of whom fiercely opposed the Shah's rule and protested against his trip to Washington. A number of

²⁰¹ See Pollack 2005: 136, which discusses how such past experiences would affect Washington's view of the Shah's position during the 1978-79 Iranian revolution; See also Chapter 2 of this study, for more on the Shah's earlier difficulties.

²⁰² Sec. State to US Embassy in Tehran, et al., October 22, 1977. NARA, CFPF, 1977STATE254537.

²⁰³ Secretary of the Treasury Blumenthal to Carter and Vance. Sent from US Embassy in Rome to Sec. State, October 31, 1977. NARA, CFPF, 1977ROME17722.

²⁰⁴ Sec. State to US Embassies in OPEC countries, November 4, 1977. NARA, CFPF, 1977STATE264256.

²⁰⁵ Ibid; Vance to Carter, November 10, 1977. NLC-5-5-7-9-5

demonstrations arose in front of American embassies and consulates in several countries, as well as in the United States. In these demonstrations, opposition to the Shah was oftentimes coupled with a fierce anti-Americanism.²⁰⁶ These demonstrations must have contributed to the US decision to take “extraordinary precautions” around the Shah’s visit, as Carter would later describe it.²⁰⁷

The Shah arrived in Washington D.C. on November 15, 1977. During his reception with the president on the White House lawn, a large numbers of demonstrators, both pro-Shah and anti-Shah, gathered not far away from the two leaders. Things quickly turned violent, and the police had to use teargas to separate the demonstrators. The gas reached the lawn as well, and pictures clearly showed Carter wiping tears from his eyes.²⁰⁸ This was not the welcome that the US government had wanted for the Iranian monarch.

In the customary toast to a visiting head of state, the president tried to laugh off the tear gas episode, congratulating the Shah on his unflappable demeanor during the incident. He then praised the Shah’s achievements, highlighting improvements in the Iranian education system and the raising of living standards during his rule, and spoke warmly about Iran’s strategic importance and close relations with the United States.²⁰⁹

Carter’s private discussions with the Shah partly focused on his regional and international role. The situation in the Middle East was discussed, with the Arab-Israeli conflict being an important part of their conversation. President Carter saw Iran as playing a unique role in contributing to the stability of the region, as it had good relations with all the central countries in that conflict, contributing economic assistance to many of them. The wide range of issues discussed at the meeting indicates that Carter not only regarded the Shah as a vital regional ally, but also as an important leader on the world stage—one whose opinion was widely respected.²¹⁰

²⁰⁶ US Embassy in London to Sec. State, November 14, 1977. NARA, CFPF, 1977LONDON18692; US Consul in Gothenburg to Sec. State, November 15, 1977. NARA, CFPF, 1977GOTEBO00294; Carter 1982: 434.

²⁰⁷ Carter 1982: 434.

²⁰⁸ Carter 1982: 433; Sullivan 1981: 127-128.

²⁰⁹ “Toasts of the President and the Shah at a Dinner Honoring the Shah”, November 15, 1977, Washington D.C. *The American Presidency Project*: <http://www.presidency.ucsb.edu/ws/index.php?pid=6938> Accessed May 7, 2014.

²¹⁰ Sec. State to US Embassies in Copenhagen, Tehran, et al., November 20, 1977. NARA, CFPF, 1977STATE278233; “White House Statement Issued Following the First Meeting Between the President and the Shah”, November 15, 1977. *The American Presidency Project*: Accessed May 7, 2015; This respect is also indicated in Carter 1982: 436, where the president notes how impressed he was by the Shah’s analysis of the situation in the Persian Gulf.

Their exchange regarding oil prices was perhaps most productive of all, and must be one of the reasons why the visit was regarded as a great success by the State Department. US pressure had already inclined the Shah to moderate his earlier position on oil prices, and he now totally abandoned it altogether. The Iranian monarch stated that he would actively oppose a price increase at the upcoming OPEC summit in Caracas. This represented a great triumph for the US government, as a price freeze was naturally much more likely with the support of both Saudi Arabia and Iran. Washington believed that the Shah was pleased with the visit as well, having had his doubts of US dedication to their relationship dispelled.²¹¹ The two leaders had even appeared to come closer to an understanding on future arms sales, with Carter assuring the Shah that he would work with Congress to meet Iran's security needs, and the Shah "reducing his wish list in aircraft considerably."²¹² However, no formal commitments were made at this time.²¹³

By the end of 1977, US-Iranian relations had apparently taken a turn for the better. Carter had pushed the AWACS sale through Congress, and calmed the Shah's fears regarding the intentions of the new administration. He had shown that he would not let a human rights focus in foreign policy hurt the alliance with Iran. The president had also succeeded in convincing the Shah to reverse his position on oil prices, leading to less sources of friction between the two allies. Still, it remained true that Carter's stated commitment to human rights and arms control continued to produce a sometimes contradictory policy towards Iran, and policymakers likely anticipated further difficulties over arms sales in the future. As for oil, while OPEC did implement a price freeze which postponed difficulties, the issue was expected to soon return.²¹⁴ Nevertheless, the president's policies clearly achieved several Iran-

²¹¹ Memorandum of Conversation, President Carter's meeting with the Shah, November 16, 1977. *FRUS, 1969-1976, Volume XXXVII, Energy Crisis, 1974-1980*: Document 139. <https://history.state.gov/historicaldocuments/frus1969-76v37> Accessed May 7, 2015; Sec. State to US Embassy in Tehran, November 18, 1977. NARA, CFPF, 1977STATE276458; Sec. State to US Embassies in Copenhagen, Tehran, et al., November 20, 1977. NARA, CFPF, 1977STATE278233.

²¹² Sec. State to the US Embassy in Tehran, November 18, 1977. NARA, CFPF, 1977STATE276458.

²¹³ Ibid.

²¹⁴ The Shah had clearly indicated the latter in a White House meeting: Memorandum of Conversation, President Carter's meeting with the Shah, November 16, 1977. *FRUS, 1969-1976, Volume XXXVII*: Document 139; In a letter to the German Chancellor, Helmut Schmidt, President Carter would note "the success of our effort to dissuade OPEC from increasing the price of oil." US Del. Secretary in Warsaw to US Embassy in Bonn, December 30, 1977. NARA, CFPF, 1977SECTO13016.

related objectives in his first year, and as a means of further demonstrating his commitment to the US-Iranian alliance, Carter accepted an invitation to visit Tehran on New Year's Eve.²¹⁵

A Presidential Visit to a Troubled Nation

Jimmy Carter's visit to Tehran lasted only one day, so he did not see any increasing unrest in Iran as such. Though the situation there was still generally calm, and the Shah appeared to be firmly in control, relatively large anti-Shah demonstrations had been organized recently. This was noted in November by the US Embassy, which observed instances of openly expressed dissidence from students in Iran. At several demonstrations, there were slogans in support of exiled religious leader Ayatollah Khomeini, a man fiercely opposed to the Shah and US influence in Iran. The recent death of Khomeini's son, Mostafa, strongly rumored to be the work of SAVAK, led to much resentment amongst the ayatollah's supporters, though the Iranian press tried unsuccessfully to suppress the matter.²¹⁶

This contributed to strengthening religious opposition to the Shah, and several clerics began to attack his rule during religious services.²¹⁷ The unrest clearly worried the Iranian regime, which clamped down by using threats to prevent demonstrations and informing students that their privileges could be revoked if they continued to cause disruption.²¹⁸

State Department officials saw the Shah as backsliding from his liberalization around criticism and free speech, and Ambassador Sullivan had brought up this issue in a meeting with the Iranian prime minister, Jamshid Amouzegar. While the Americans were somewhat relieved by the prime minister's assurance that dissent would be permitted, they still expressed concern over developments in the human rights area.²¹⁹

Still, there were inherent contradictions in Washington's stance. The US Embassy in Tehran argued that the dissidence in Iran had been propelled by the president's emphasis on human rights. Likewise, the Shah's liberalization program had encouraged demonstrators. The embassy thought that the United States should use its influence more carefully, so as not to create further difficulties for the Shah. While the US government should work to prevent

²¹⁵ It is clear that Washington wanted to give this impression by accepting the invitation. See this later memorandum: Sec. State to USDEL Secretary, December 30, 1977. NARA, CFPF, 1977STATE310441.

²¹⁶ US Embassy in Tehran to Sec. State, November 17, 1977. NARA, CFPF, 1977TEHRAN10184; Keddie 1981: 242; Khomeini was earlier introduced in chapter 2.

²¹⁷ US Embassy in Tehran to Sec. State, December 1, 1977. NARA, CFPF, 1977TEHRAN10604; See also Keddie 1981: 242, which notes that "much mosque preaching became increasingly hostile to the Shah".

²¹⁸ US Embassy in Tehran to Sec. State, December 6, 1977. NARA, CFPF, 1977TEHRAN10777.

²¹⁹ Sec. State to US Embassy in Tehran, December 9, 1977. NARA, CFPF, 1977STATE294128.

police brutality and abuses in Iran, it should not appear to seek significant changes in Iran's political system.²²⁰ Interestingly, US pressure towards the Shah on human rights-related issues would eventually decline.²²¹ The embassy's view of how Carter's policy had affected the disturbances in Iran may help explain this turn of events.

The US Embassy divided the disturbances that were taking place in Iran into two main categories: those caused by students at universities, and those caused by oppositionist elements. The latter group was again divided between those who were leftist-nationalist and those who were religiously oriented.²²² It is clear that the embassy had trouble understanding the nature of the latter faction, stating that "more obscure and puzzling have been the circumstances surrounding demonstrations by religious persons or in the name of religion."²²³

The US government wanted to portray the president's visit as a sign of the importance it placed on good relations with Iran. For a planned press release, it was stated that Carter would note that "it was symbolic of the special relationship between Iran and the U.S. that he was the Shah's guest in Tehran less than two months after His Majesty's state visit to Washington" and that he "was confident that the same closeness would continue into the coming years."²²⁴

This closeness was a central theme of the president's toast to the Shah on New Years' Eve. Here, Carter praised the Shah's achievements throughout his thirty-six-year reign. He then called attention to the widespread changes that had occurred in Iran over the past few years, stating his admiration for the reforms that had taken place because of the Shah's leadership. The president also emphasized the geopolitical role of the Iranian monarch, observing that Iran could help bring peace to areas like the Horn of Africa that were plagued by wars, and might also contribute to a lasting solution to the Arab-Israeli conflict.²²⁵

Due to the events to come, the president's speech was vividly remembered, and not for the reasons he would have wanted. Carter contrasted the disorder in other Middle Eastern nations with the situation in Iran, and a particularly famous passage in the toast went as follows: "Iran,

²²⁰ US Embassy in Tehran to Sec. State, December 27, 1977. NARA, CFPF, 1977TEHRAN11408.

²²¹ An eventual decrease in US human rights pressure towards Iran is claimed in Ganji 2006: 25; Keddie 1981: 234 gives support to this notion; Of course, there may also have been other reasons for such a decrease, such as the outbreak of the Iranian Revolution, which would naturally become Washington's primary focus in Iran. Still, US policymakers only realized the seriousness of that crisis in late 1978, and only then did it become the sole focus of US policy towards Iran, as will be shown in Chapter 4.

²²² US Embassy in Tehran to Sec. State, December 27, 1977. NARA, CFPF, 1977TEHRAN11408.

²²³ Ibid.

²²⁴ Sec. State to USDEL Secretary, December 30, 1977. NARA, CFPF, 1977STATE310441.

²²⁵ "Toasts of the President and the Shah at a State Dinner", December 31, 1977, Tehran. *The American Presidency Project*: <http://www.presidency.ucsb.edu/ws/?pid=7080> Accessed May 7, 2015.

because of the great leadership of the Shah, is an island of stability in one of the more troubled areas of the world.”²²⁶ It would soon become clear that this assessment was rather wide of the mark.

²²⁶ Ibid.

Chapter 4: No Longer an Island of Stability

In January 1978, riots and protests broke out in Iran, marking the beginning of what would later be known as the Iranian Revolution. For most of the ensuing year, Washington would not regard the Shah's rule as significantly threatened. But by the end of 1978, Iran's long-time monarch had lost all control of the situation, and planned to leave his country for a short period. How did it come to that? How did the United States view the situation in Iran as this crisis developed? To what extent did the Carter administration attempt to impact the policies of its Iranian counterpart, and why?

The Beginning of the Crisis

The president's visit to Tehran on New Year's Eve demonstrated to all that the ties between the United States and Iran remained strong. Washington continued to regard the Shah as a vital ally, and Tehran also viewed the state of the US-Iranian relationship positively. The Shah felt that his country was to a great extent viewed as an equal partner by the United States, particularly given the vast oil resources Iran oversaw.²²⁷ Both governments recognized the mutual benefits of their alliance, and the Shah would even proclaim that the two countries had "always been in agreement and rarely in disagreement."²²⁸ The US government had every reason to be pleased, as this was quite a contrast to the views expressed by Iran in the early days of the Carter administration.

Though Iran had experienced some unrest in late 1977, the situation was still relatively calm, and the gravity of the political tensions there was not yet apparent at the time of the president's visit.²²⁹ Despite the increasingly vocal opposition to the Shah, Washington was confident that the monarch commanded the support of the majority of the population, as the Central Intelligence Agency concluded in January 1978. The CIA did note that religious conservatives uniformly opposed the Shah, due to his modernization programs in Iran, and that some students and urban intellectuals were also unhappy with his rule. However, US intelligence considered these groups, along with the small Marxist contingent, to be in clear minority.²³⁰

In early 1978, though, opposition to the Shah would grow rapidly. One January event in particular contributed to creating a situation of turmoil in Iran. The exiled clerical leader

²²⁷ *Foreign Broadcast Information Service*, January 10, 1978. NLC-23-28-5-1-0.

²²⁸ *Foreign Broadcast Information Service*, January 10, 1978. NLC-23-28-5-1-0

²²⁹ See Chapter 3; Sullivan 1981: 137.

²³⁰ CIA analysis, January 1978 (no specific date). NLC-25-33-8-5-5.

Ayatollah Khomeini had long been feeding Iranians with anti-Shah propaganda from abroad: after his exile in 1964, many dissidents had embraced him as a leader in their struggle against the Shah.²³¹ In an effort to counter Khomeini's popularity, the Iranian regime attacked him via the government-controlled press, and an article published on January 7 in the newspaper *Ettela'at* made some particularly harsh allegations. The article, personally approved by the Iranian Minister of Information, Daryoush Homayoun, accused Khomeini of being a British agent and a pawn of both imperialist and communist forces, as well as a homosexual and an alcoholic. This widely-read article backfired massively, however.²³²

In response to the article, Khomeini's followers organized a demonstration that quickly turned violent. Some four thousand, many of whom were religious leaders or students, joined the demonstration, which was held in Qom, a holy city for Shia Islam. Several people were killed, in related clashes between protesters and security forces. As with all deadly incidents during the Iranian Revolution, the estimates of fatalities varied greatly, so all numbers must be interpreted with some caution. The Iranian opposition estimated up to three hundred deaths in Qom, and this total spread quickly among the Iranians, even if the truth was likely closer to two dozen, perhaps less.²³³

Either way, of course, the impact of the Qom demonstration is clear. From there, things only escalated, as more and more of the Shah's opponents joined protests against his rule. Many riots followed, and Khomeini encouraged them. Despite his exile, he had little difficulty in getting messages through to his followers, who had been strongly motivated by the inflammatory article.²³⁴

The Carter administration followed the situation in Iran with growing concern. National Security Advisor Zbigniew Brzezinski informed the president that these events were the most serious that had transpired in Iran for over a decade. State Department analysts concluded that, though they did not regard the Shah's regime to be under immediate threat, he was facing pervasive problems that would be difficult to solve: the Islamic opposition was now in its most powerful position since 1963, when Khomeini and other anti-Shah clergy had instigated

²³¹ Khomeini was previously discussed in Chapter 2 and 3.

²³² Buchan, James. *Days of God: The Revolution in Iran and its Consequences*: 198-200. London: John Murray, 2012; Keddie 1981:242-243; Kurzman, Charles. *The Unthinkable Revolution in Iran*: 33. Cambridge (MA): Harvard University Press, 2004.

²³³ Buchan 2012: 201-203.; Kurzman 2004: 37; Bill 1988: 235. These studies all estimate between 5 and 24 deaths in the Qom incident; Kurzman (Ibid.) notes that US Diplomats in Iran estimated relatively similar figures.

²³⁴ Buchan 2012: 201-203.

massive demonstrations against the Shah. The State Department did wonder whether the Shah was in danger of losing control of the clergy in Iran altogether, which could produce a real confrontation between religious fundamentalists and the Shah's secular modernizing forces. If the government did not take harsh measures to quell the demonstrations, the protesters could be emboldened. However, if the Shah was too forceful, he might damage Iranian relations with the United States, according to the State Department. This was clearly connected to President Carter's stated commitment to a human rights focus in foreign policy.²³⁵

Parts of the Iranian opposition had gained encouragement from this focus. They believed that it would prevent the Shah from cracking down on the opposition, due to his fear of losing US backing. As such, they were emboldened by Carter's human rights agenda, illustrating some of the unintended consequences of American policy towards Iran.²³⁶

In February, the situation in Iran took another turn for the worse. After the Khomeini incident, the religious opposition came to dominate the protest movement. The clergy was well aware of the anger felt by many Iranians over the deaths in Qom, and it organized memorial walks in several cities that functioned as massive demonstrations against the Shah. The first of these walks took place forty days after the January incident, on February 18, 1978, in accordance with traditional Shia mourning customs.²³⁷ It would prove to be a day of near unprecedented rioting, with the most dramatic incidents occurring in the city of Tabriz in northwestern Iran. State-owned buildings were attacked and destroyed, and the city was left in a state of chaos. In response, the army was sent into Tabriz, and between six and thirteen demonstrators died in the upheaval that followed.²³⁸ The US State Department would note that "the degree of organization and power [in the demonstrations] must be troubling indeed for the Shah".²³⁹ The department's analysts saw no reason to believe the Shah's claim that communist or left-wing forces had played a decisive role in these demonstrations, stating instead that the true threat to the Shah's regime could come from "the reactionary Moslem right wing."²⁴⁰

²³⁵ Brzezinski to Carter, January 31, 1978. NLC-1-5-2-55-3; This human rights agenda was analyzed in Chapter 3.

²³⁶ Brzezinski to Carter, January 31, 1978. NLC-1-5-2-55-3; Keddie 1981: 231 and Abrahamian 1982: 500 also gives support to the notion that such views were prevalent in parts of the Iranian opposition; This was also discussed in Chapter 3, which contains an analysis of how Carter's emphasis on human rights affected US policy toward Iran.

²³⁷ Keddie 1981: 243-44.

²³⁸ Middle East to Brzezinski, February 21, 1978. NLC-10-9-1-12-7; Buchan 2012: 202-203; Kurzman 2004: 46. While oppositionist elements in Iran claimed as many as 500 deaths (Kurzman 2004: *Ibid*), Buchan and Kurzman figures of six and thirteen deaths, respectively.

²³⁹ Middle East to Brzezinski, February 21, 1978. NLC-10-9-1-12-7.

²⁴⁰ *Ibid*.

The situation in Iran stayed tense after the upheaval in Tabriz. Opposition to the Shah was now out in the open, and the religious alignment of the protests struck observers as foreboding, because of the clergy's expansive influence in Iran. According to the CIA, this influence was particularly widespread in the lower classes, but the religious hierarchy also had close ties to the *bazaar* merchant class in Iran.²⁴¹ The latter class generally supported the religious opposition, partly thanks to a shared dislike for the Shah's modernization programs.²⁴²

It was no surprise, then, that memorial marches organized on March 30, forty days after Tabriz, once again got out of hand, and at least twenty people died in clashes with the police.²⁴³ A pattern was emerging. So far, the Iranian government had been content to disperse most of the rioting crowds, and few protesters were arrested. However, the Shah soon concluded that tougher action was needed and ordered SAVAK, Iran's secret police and primary intelligence organization, to use more force against dissident leaders. In early April, there were severe beatings inflicted by SAVAK agents, as well as bombings of the homes of several prominent dissidents.²⁴⁴

Amongst those attacked were leaders of the National Front (NF), the political party founded by Mossadegh that had been strongly suppressed after his overthrow. It had recently reemerged, voicing strong support for constitutional rule in Iran and demanding that the Shah implement further political liberalization. As a relatively liberal, Western-inspired movement, it had different priorities from the religious demonstrators. However, SAVAK's actions may have helped unify the opposition, and the Shah's response to the unrest did not make it go away.²⁴⁵

Washington's View of the Shah's Crackdown

While the Americans had kept a low profile in Iran in early 1978, Washington did take notice of the Shah's harsher policy against the dissidents, seeing it as a potential reversal of the

²⁴¹ CIA report: "Iran: Religious-Inspired Opposition." March 29, 1978. NLC-25-33-8-10-9.

²⁴² The bazaar merchants, or *bazaaris*, included "not only those who had shops in the bazaar, but also those who carried on retail and export trade and manufacture of a traditional rather than a modern type", in the words of Nikki Keddie. Members of this social group tended to be opposed to Westernization, as the increase of Western goods made their own role in the Iranian economy less important. As such, they were natural allies of the religious hierarchy, due to their mutual dislike of the Shah's modernization programs. Keddie 1981: 244.

²⁴³ Buchan 2012: 204

²⁴⁴ Situation Room to Brzezinski. April 5, 1978. NLC 10-10-4-18-6; Global Issues to Brzezinski, April 14, 1978. NLC-10-10-6-16-6; Buchan 2012: 205.

²⁴⁵ Buchan 2012: 195, 205; The idea that this crackdown may have helped unite the opposition is somewhat supported by the Vance quote below, which states that Anti-Shah protests would start to contain more demonstrators with greatly varying political views: Vance to Carter, May 10, 1978. NLC-128-13-8-7-0.

liberalization that had been implemented during the past year. National Security Council (NSC) staff concluded that if the crackdown continued, the United States would “not be able to ignore this trend.”²⁴⁶ The Carter administration was clearly well aware of the awkwardness of a prominent ally like Iran using harsh measures against the demonstrators. The president might be forced to either criticize the Shah’s actions publicly, thereby damaging close relations with Tehran, or stay silent and hurt the administration’s credibility on human rights.

To make matters worse, Shah’s crackdown could not prevent another outbreak of large-scale violence in Iran, this time in several cities on May 8-9. Secretary of State Vance noted that alongside the omnipresent religious conservatives, “moderate leftist nationalists and students who also oppose the Shah have joined in some of the recent demonstrations.”²⁴⁷

Though SAVAK had used very harsh methods against opposition leaders in April, the Shah appeared wary of totally reversing Iran’s liberalization process. As such, he did not order a widespread crackdown on the demonstrations, despite feeling that he perhaps needed to do so. According to Vance, this reluctance primarily arose from a fear of damaging his image in America.²⁴⁸ Although the United States had not expressed any overt concern to the Shah, or indeed given him any advice at all about how to handle the crisis, his caution was warranted. After all, Iran was also under pressure from international human rights organizations, which had strongly criticized the beatings of the opposition leaders. The entire situation had led to the Shah appearing tired and depressed, according to Ambassador Sullivan.²⁴⁹

By now, some US analysts begun to worry about the Shah’s viability as well. The occurrences of massive demonstrations every forty days led them to conclude that the problems in Iran might not be a passing affair. The NSC staff developed two theories. One saw the religious hierarchy as simply an interest group that could be placated by the Shah if he accommodated to some of their concerns—that is, the regime was not under serious threat but would have to make some compromises to normalize the situation. The other claimed that the problems in Iran were structural, and that the riots had exposed widespread animosity regarding the corruption, unchecked privilege, and economic difficulties caused by the Shah’s modernization program.²⁵⁰ If the second theory held sway, the NSC staff concluded, then “the

²⁴⁶ Global Issues to Brzezinski, April 14, 1978. NLC-10-10-6-16-6.

²⁴⁷ Vance to Carter, May 10, 1978. NLC-128-13-8-7-0.

²⁴⁸ Ibid.

²⁴⁹ Middle East to Brzezinski, May 9, 1978. NLC-10-11-3-19-5; Brzezinski to Carter, May 10, 1978. NLC-1-6-2-32-7.

²⁵⁰ Sick (NSC) to Brzezinski, May 26, 1978. NLC-6-28-7-38-7.

demonstrations represent a true political threat that could topple or cripple the present regime.”²⁵¹

For the first time in years, American officials were seriously questioning the overall stability of Iran’s regime. However, this did not mean that the Carter administration considered there to be a strong chance of the Shah being overthrown, as the vast majority of intelligence reports concluded that he was not in any immediate danger. The president, secretary of state and other prominent members of the administration would therefore prioritize other issues.²⁵² US officials monitoring events in Iran likewise saw no reason to intervene, clearly preferring to let the Iranian government sort out its internal affairs. By June 1978, few observers were questioning whether the Shah would survive this crisis, and the US government even allowed Ambassador Sullivan to go on home leave for the entire summer.²⁵³ This signaled that it was not unduly worried about the situation in Iran.

And indeed, though the situation had been relatively dire, the Shah’s prospects seemed to improve during the summer of 1978. The monarch had taken some steps to accommodate the opposition, such as replacing the head of SAVAK in early June, presumably upon the realization that its brutal methods had caused great anger among the protesters.²⁵⁴ At first, the Shah’s “stick and carrot” approach to the opposition appeared successful: June 20, the arrival of the fourth forty-day cycle in the demonstrations marking the deaths of protesters, passed with little commotion.²⁵⁵ This could only have reinforced Washington’s view that the Shah would weather the storm.

Renewed Debate over Arms Sales to Iran

It is noteworthy that during the summer of 1978, much of American policy discussion on Iran was not focused on the impending crisis there. Rather, the central debate concerned the question of arms sales to the Shah.²⁵⁶ Yet again, the Carter administration would be torn between its commitment to arms limitation and its wish to bolster the US-Iranian alliance.

Earlier in the year, the administration had sent Congress a Persian Gulf study that indirectly appeared to make a case for extensive arms sales to Iran. The report emphasized the Shah’s

²⁵¹ Ibid.

²⁵² Vance 1983: 325-26; This chapter will further demonstrate that Washington only started to seriously worry about the threat to the Shah late in 1978.

²⁵³ Bill 1988: 248; Sullivan 1981: 142.

²⁵⁴ Intelligence Coordination to Brzezinski, June 6, 1978. NLC-10-12-3-6-8.; Sick 1985: 46.

²⁵⁵ Buchan 2012: 206; Abrahamian 1982: 510; Sick 1985: 46-47.

²⁵⁶ Sick 1985: 44; This fact is also illustrated by the numerous primary sources cited in this subsection.

role as policeman of the Gulf, ensuring the security of the area and being a bulwark against Soviet-friendly forces, and pointed yet again to the significance of continued access to Iranian oil and vital military and intelligence installations in Iran. Obviously, Washington had reasons for keeping the Shah content. Nevertheless, the study did note a downside to his large-scale military spending as well. If it continued, this could be at the expense of social spending, possibly leading to further political discontent.²⁵⁷

Despite such concerns, it was also clear that Iran's military strength enabled it to remain an anti-communist force in regional politics—a role that the Shah was more than willing to play, given his fear that Moscow would expand its influence in the Middle East through proxies. Iran had been working to contain the influence of the USSR in places outside of the region as well, sending arms to states that were involved in conflicts with Soviet allies, such as Somalia in its war against Soviet-backed Ethiopia.²⁵⁸ In 1978, the Shah had grown particularly concerned about increased Soviet influence in Afghanistan, following a communist coup there in April. He also worried that the USSR might try to gain a foothold in Pakistan, exploiting its bad economy and political disarray.²⁵⁹ His concern about these neighboring states clearly arose from a fear of being encircled by the Soviets. While Washington may have shared some of his trepidation, officials also thought that the Shah was exaggerating this particular threat, and that Ambassador Sullivan “may find it useful to calm him down a bit.”²⁶⁰

One eventuality was certain, though: the Shah's fear of Soviet encirclement meant that “his appetite for weaponry will be whetted even more.”²⁶¹ And right on schedule, the Iranian military presented the US government with a significant list of arms that it wanted to buy, including new and advanced aircraft technology, as well as more naval equipment to strengthen Iran's position in the Persian Gulf.²⁶²

The Carter administration, however, had been anticipating a large-scale review of Iranian military needs, and its arms sales to Iran, in light of the general aim of arms restraint. While the administration saw some virtue in strengthening the Iranian military, the Shah's arms list

²⁵⁷ Peter Tarnhoff (NSC) to Brzezinski, February 8, 1978. NLC-21-28-8-7-3.

²⁵⁸ Ibid.; Iran had in the past done much to contain such influence, for instance by helping defeat Soviet-backed rebels in Oman in 1973, as noted in a memorandum to Sick, February 10, 1977. NLC-25-87-5-1-3; For more on the Shah's views on the situation in Somalia, see Turner to Brzezinski, March 8, 1978. NLC-17-45-4-18-1; Situation Room to Inderfurth (undated). NLC-4-7-3-7-0.

²⁵⁹ Thornton to Brzezinski, May 8, 1978. NLC-15-1-2-1-1; Brzezinski to Carter, May 10, 1978. NLC-1-6-2-32-7.

²⁶⁰ Thornton to Brzezinski, April 27, 1978. NLC-24-97-9-13-5.

²⁶¹ Ibid

²⁶² Compilation of 1978 NSC reports on Iran. Report from May 31, 1978. NLC-25-37-5-1-8; Sullivan 1981: 148-151.

led to extensive debates. It was particularly controversial in the State Department, and inter-agency divisions on this issue made it difficult to set on a clear course.²⁶³

The NSC staff reportedly valued Iran's arms request list at a whopping nine billion dollars, the largest portion of which was derived from the aircrafts. At this point, Iran wished to buy thirty-one F-4Gs, to be equipped with sophisticated anti-radiation missiles.²⁶⁴ The proposed sale of these modified aircrafts, known as "Wild Weasels" in the US Armed Forces, was controversial because they appeared to be designed for attack rather than for defensive purposes and therefore ran counter to Carter's professed interest in arms limitation. The president had called for a halt to the spread of such advanced weapons, but an exception to this policy had already been made during the sale of AWACS aircrafts to Iran in 1977.²⁶⁵ A Policy Review Committee (PRC) meeting was therefore scheduled in the White House, to settle upon the administration's attitude towards these sales. A theme of the meeting would be how the United States could "balance the two important goals of arms transfer restraint and continued close political ties with strategically important Iran."²⁶⁶

One argument against granting Iran further exceptions from Carter's arms limitation policy was that other allies would then have less incentive to moderate their own demands for more weaponry, making this policy virtually toothless. This was the view of some of Brzezinski's advisors, who therefore called for clearer restraints on Iranian arms purchases.²⁶⁷ NSC official Gary Sick strongly disagreed, however, arguing that these weapons were imperative for the security of Iran, and the national security advisor himself seemed to concur.²⁶⁸

On July 5, 1978, the PRC meeting took place, chaired by Vance, and attended by Brzezinski, CIA Director Stansfield Turner and other leading policymakers. In light of the regional situation in the Middle East and the Shah's support of US policies on the world stage, it was

²⁶³ Compilation of 1978 NSC reports on Iran. Report from June 23, 1978. NLC-25-37-5-1-8; Tuchmann and Denend to Brzezinski, June 28, 1978. NLC-28-15-6-3-6; Sick 1985: 45.

²⁶⁴ Compilation of 1978 NSC reports on Iran. Report from June 28, 1978. NLC-25-37-5-1-8. While the figure of nine billion USD seems unnaturally high, and though its veracity may be in question, this is the number listed in the report.

²⁶⁵ *Wilmington Star News*, "U.S. refuses planes to Shah," August 17, 1978. <http://news.google.com/newspapers?nid=1454anddat=19780817andid=w7ssAAAAIBAJandsjid=LBMEAAAAIBA&jandpg=3481,3107385> Accessed May 7, 2015. This article contains a decent summary of the debate over the "Wild Weasels"; AWACS stands for *Airborne Warning and Control System*. The 1977 sale of AWACS aircrafts was discussed in detail in Chapter 3.

²⁶⁶ Tuchmann and Denend to Brzezinski, June 28, 1978. NLC-28-15-6-3-6.

²⁶⁷ Tuchmann and Denend to Brzezinski, July 3, 1978. NLC-28-15-6-3-6.

²⁶⁸ Sick to Brzezinski, June 28, 1978. NLC-28-15-6-3-6; The notion that Brzezinski agreed with Sick is supported by the PRC's decisions, as detailed in what follows.

soon agreed that Iran should receive most of the weaponry it had requested. Without solid defenses, Iran would be more likely to be threatened by the Soviet Union and its allies, and it would be harder for the Shah to maintain his regional influence. Furthermore, the Shah was more likely to back US anti-communist policies in Africa and Central Asia, as well as American efforts to achieve a peace settlement in the Arab-Israeli conflict, if Washington satisfied his arms requests.²⁶⁹ The Carter administration also wanted to demonstrate that it “supports Iran’s emergence as a strong regional power.”²⁷⁰

Even the sale of the controversial “Wild Weasels”, was approved, though with caveats. As selling such aircrafts stood in conflict with Carter’s arms restriction guidelines, it would have to wait until a special exception had been granted.²⁷¹ Still, it was decided that the aircrafts would be “installed with wiring which would allow the subsequent inclusion of more sophisticated anti-radiation equipment.”²⁷² Evidently, the administration had again gone far in making exceptions for Iran in its arms limitation policy. However, in a reversal of course, Cyrus Vance soon decided to draw a line: he would only sell the F-4Gs *without* the wiring, perhaps feeling that this could preserve some credibility on arms restraint. This illustrates the Carter administration’s often muddled foreign policy—Vance’s revised decision, coupled with other contradictory information, led to confusion among those US officials responsible for communicating with Iran.²⁷³

The Shah was greatly displeased about the secretary of state’s position, arguing that the absence of anti-radiation equipment would weaken his armed forces. Still, those who supported large-scale arms sales to the Shah had largely carried the day, as the PRC agreed to sell Iran vast amounts of other weaponry.²⁷⁴ When Carter was asked to endorse the PRC’s final decision, he wrote: “[O]k this time. PRC is too much inclined to approve every arms request.”²⁷⁵ The president seemed uncomfortable with the PRC’s circumventions of the administration’s arms restraint policy, yet he likely did not wish to risk the strategically vital relations with Iran. Moreover, Carter may have been mollified by the PRC’s effort to

²⁶⁹ Minutes from PRC meeting, White House Situation Room, July 5, 1978. NLC-21-20-7-9-0; Leslie Gelb to Harold Saunders (NEA), George Allen (CIA), et al., June 29, 1978. NLC-28-15-6-3-6.

²⁷⁰ Denend to Sick, July 6, 1978. NLC-28-15-6-3-6.

²⁷¹ Minutes from PRC meeting, White House Situation Room, July 5, 1978. NLC-21-20-7-9-0.

²⁷² Ibid.

²⁷³ Vance to David Newsom (State Department), July 8, 1978. NLC-21-20-7-9-0; Compilation of NSC reports on Iran. Report from July 7, 1978: NLC-25-37-5-1-8.

²⁷⁴ Compilation of NSC reports on Iran. Report from July 9, 1978. NLC-25-37-5-1-8; Vance to Newsom, July 8, 1978. NLC-21-20-7-9-0; Sick 1985: 45.

²⁷⁵ Handwritten note by Carter, on memorandum sent to him from Brzezinski, July 8, 1978. NLC-28-15-6-3-6.

implement his arms restraint policy in a long-term perspective. There had been made plans for comprehensive discussions with Iran on arms sales for the next three to five years, which would lead to a more consistent policy and presumably ensure that Iran requested arms in numbers that met the proposed limits. Significantly, the administration appeared to assume the Shah's continued rule when planning this long-term measure.²⁷⁶

After much back-and-forth, it was eventually made clear that the United States would only sell F-4Gs without the wiring to Iran. Though some prominent officials such as Secretary of Defense Harold Brown argued in favor of including the wiring, the president sided with Vance.²⁷⁷ The Shah tried to make the administration reverse this decision, to no avail.²⁷⁸ Of course, there would soon be other troubles to worry about. Little would come out of the Carter administration's plans for a long-time strategy on arms sales to Iran, as the country would soon experience massive upheavals.

In addition, the arms sales discussion in the summer of 1978 foreshadowed future problems for Washington. Splits within the US government and within its various departments had led to an unclear policy. Such internal division and lack of clarity would eventually characterize the Carter administration's policy towards Iran, particularly once the Americans realized the gravity of the Shah's predicament.

The Shah Fails to Appease the Opposition

After a period of calm in early summer, there were more violent clashes between groups of protesters and the police in Iran.²⁷⁹ Despite this, a CIA review in August still concluded that the country was "not in a revolutionary or even a 'prerevolutionary' situation."²⁸⁰ While certain US analysts by now considered the Pahlavi dynasty to be under serious threat—and warned the Carter administration in this regard—this was only a minority view that was not shared by the US Embassy in Tehran. Still, the Shah likely betrayed some of his own concern

²⁷⁶ Dodson to Vice President Mondale, Vance, Brown, Turner et al. July 12, 1978, NLC-28-15-6-3-6; In none of the above-cited sources is there indicated any US fear that the Shah would fall anytime soon.

²⁷⁷ Compilation of NSC reports on Iran. Report from August 3. NLC-25-37-5-2-7.

²⁷⁸ Sick 1985: 46.

²⁷⁹ Situation Room to US Consulate in Jerusalem, July 3, 1978. NLC-4-36-6-15-6; Sick 1985: 47.

²⁸⁰ This analysis was later disparagingly quoted in a memorandum from Intelligence Coordination to Brzezinski, November 1, 1978. NLC-10-16-4-1-8.

when he promised democratization and further liberalization, in the hopes of restoring calm.²⁸¹

When Ambassador Sullivan returned to Iran in late August, he was struck by the changes that were taking place. The ambassador reported that the Shah had decided to “transform his authoritarian regime into a genuine democracy,” but noted that most Iranians continued to indulge “in their traditional cynicism” about the prospect.²⁸² In Sullivan’s view, the Shah was truly committed to these reforms as the only way the monarchy might survive. The United States should encourage this shift, Sullivan argued, because American ideals had always held that democracy was the form of government that functioned best in the long run, despite the problems that would be encountered during any reform process. And there would be many such problems. Iran had no democratic traditions as such, and those in positions of authority were afraid of what these new reforms might bring with them. This view was particularly strong within the military, the regime’s most loyal base of support.²⁸³

Sullivan also believed that enemies of the Shah, such as “the Soviets, [...] the radical Arabs and the fundamentalist Muslims,” would attempt to destabilize the regime by trying to undermine the reform process—they would cause trouble in the streets and attempt to force the Shah to reverse course, so as to betray the insincerity of his commitment and damage his position.²⁸⁴

No evidence had emerged of any Soviet involvement in the crisis. While Sullivan also noted the threat posed by fundamentalist Muslims, the attention towards the Soviet Union may indicate a lack of understanding of events. In an effort to retain good relations with the regime, the United States had cultivated few inside sources of information in Iran that were not approved by the Shah. Sullivan regretted this and had tried to develop more contacts in the opposition, in an effort to get more varied sources of intelligence. While this process had started, the Americans had trouble making close contact with the Iranian oppositionists as many were distrustful of them because of their long close association with the Shah.²⁸⁵

Sullivan’s analysis above, then, clearly indicates that the US perspective on the situation was

²⁸¹ Brzezinski to Carter, August 11, 1978. NLC-15-126-5-7-4; Rubin 1981:210.; US Embassy in Tehran to Sec. State, August 29, 1978. NLC-16-45-3-19-2.

²⁸² US Embassy in Tehran to Sec. State, August 29, 1978. NLC-16-45-3-19-2.

²⁸³ Ibid.

²⁸⁴ Ibid.

²⁸⁵ Sullivan 1981: 144-145; The earlier lack of opposition contacts is also noted by Emery, Christian. “United States Iran Policy 1979–1980: The Anatomy and Legacy of American Diplomacy” in *Diplomacy and Statecraft*, Vol. 24, Issue 4, 2013: 622.

still very much influenced by the Shah's inner circles. This helps explain the focus on the Soviets, whom the monarch himself feared to be behind the disturbances in Iran, and the belief that the Shah sincerely wished for democracy.²⁸⁶

As part of his effort to quell the persistent demonstrations, the Shah tried to placate the religious hierarchy through his new prime minister, Jafar Sharif-Emani, who was told to implement changes. For instance, the Islamic Calendar was reinstated in Iran to dispel a fear that Westernization had turned the government away from Islam. He also demoted several generals who followed the Bahá'í religion, a non-Muslim sect widely despised by the Shia clergy. These attempts to accommodate the religious opposition had little effect on the continuing unrest. CIA analysts observed that the anti-Shah forces seemed quite united, being held together by opposition to the Iranian monarch despite a lack of common goals amongst themselves. Although secular and moderate oppositionists may have been uncomfortable with some of the clergy's demands, they nevertheless refrained from criticizing Khomeini, who emerged as the *de facto* leader of the Iranian opposition. Sharif-Emani's approaches towards the religious opposition thus proved unsuccessful. Even moderate religious leaders who seemed open towards a compromise solution had given support to Khomeini, including the influential Ayatollah Mohammad Shariatmadari. The latter requested that Khomeini be allowed to return to Iran and further wanted the monarchy to relinquish almost all of its political powers, demands which were clearly unacceptable for the Shah.²⁸⁷

This left the Shah with his erratic "stick and carrot" strategy, and even as he experimented with conciliatory measures, he also continued to clamp down on demonstrations through force. For this purpose, the Shah had wished to import tear gas to use for crowd control, and asked Washington to supply it to Iran. American officials, who had earlier been skeptical towards the Shah's decision to use harsh methods against opposition leaders, now agreed that something needed to be done to control the riots. Despite its low profile in the Iranian crisis, then, the United States agreed to sell this equipment in September 1978.²⁸⁸

²⁸⁶ The Shah's belief in Soviet involvement is noted in several documents. See, for instance, CIA Intelligence Memorandum, September 7, 1978. NLC-25-33-9-6-3.

²⁸⁷ Ibid.; Rubin 1981: 213-216; The Iranian monarch continued to hope for a solution involving the moderate clergy, to no avail, as shown in what follows. See, for example, US Embassy in Tehran to Sec. State, November 5, 1978. NLC-16-57-1-29-0.

²⁸⁸ Sick to Brzezinski. "Decisions and initiatives on Iran", November 24, 1978. According to this memorandum, the decision was officially approved by the State Department on September 8, 1978. NLC-39 C-11-23-2-0.

Though the export of tear gas was not as controversial as the sale of military arms, some within the State Department were critical of the move. Officials in the Human Rights Bureau, for example, felt it went against the values of the Carter administration. Ambassador Sullivan demurred, claiming that if the Iranian forces did not have tear gas available, they might instead resort to lethal weapons for riot control. After much debate, Vance had interceded to endorse the regular export of tear gas to Iran, unless evidence emerged that this equipment was being misused.²⁸⁹ With this latest decision, the administration showed that it would not prioritize the humanitarian concerns of the Human Rights Bureau at the expense of American strategic interests.

This US assistance must have been of limited comfort for the Shah, who had grown increasingly desperate as demonstrations against his rule abounded. On September 7, the Shah declared martial law, imposing a ban on demonstrations, but this could not prevent a large protest from taking place in Tehran's Jaleh Square the next morning. In response, the military shot at the demonstrators, likely killing between eighty to ninety people. The demonstration had been relatively peaceful, and the crackdown marked a defining moment of the crisis.²⁹⁰

The Carter administration Emphasizes Its Support for the Shah

The Shah's decision to declare martial law may have been influenced by the assurances of his ambassador in the United States, Ardeshir Zahedi, who gave the impression that Washington would support tougher action. However, nothing indicates that this view was predominant within the Carter administration, which had not provided any advice on this matter so far. Zahedi's view was chiefly based on his conversations with Brzezinski, who believed that the upheavals in Iran necessitated a tough response.²⁹¹

US analysts immediately realized that the Jaleh Square deaths were "very serious events."²⁹² Despite this, officials largely continued to believe that the Shah would survive the crisis relatively unscathed.²⁹³ The president was not personally involved in the latest discussions regarding Iran, as he was busy at Camp David hosting the ongoing negotiations between

²⁸⁹ Ibid.; Sullivan 1981: 148; Vance 1983: 325.

²⁹⁰ Analysis by the Bureau of Intelligence and Research, September 9, 1978. NLC-6-53-7-9-1; Ansari, Ali M.: *Modern Iran Since 1981: The Pahlavis and after*: 205. Essex: Longman, 2003; Kurzman 2004: 75; Buchan 2012: 222; Abrahamian 2008: 161.

²⁹¹ Rubin 1981: 214; Brzezinski's attitude will be documented in greater detail, and the Carter Administration's reluctance to give the Shah any clear advice will also be analyzed in what follows.

²⁹² Middle East to Brzezinski, September 8, 1978. NLC-10-15-1-6-7.

²⁹³ Precht, Henry. "The Iranian Revolution: An Oral History with Henry Precht, Then State Department Desk Officer" in *Middle East Journal*, Vol. 58, No. 1, Winter 2004: 13.

Israel and Egypt. Ambassador Sullivan recommended that Carter personally call the Shah to express concern and regret over the situation in Iran, and in order to “give president opportunity to obtain directly from Shah renewed commitment to pursue elections and liberalization”.²⁹⁴

On September 10, in the middle of the Camp David negotiations, Carter followed Sullivan’s suggestion and called the Shah. Around the same time, a letter was sent to the Iranian monarch, because the ambassador had earlier concluded that something needed to be done to strengthen the morale of the Shah. He had drafted a warm letter, praising the Shah’s leadership, which he advised should be sent in the president’s name. It was revised slightly after the Jaleh Square incident, but sent nevertheless. The Shah subsequently released its contents, leading to great anger towards the United States among the opposition in Iran.²⁹⁵

While Sullivan clearly joined all of his American colleagues in supporting the rule of the Shah, he had continued to seek contact with the opposition. While the embassy had managed to reach moderate and secular oppositionists, there had been no interaction with representatives from the Khomeini camp, and US officials were clearly skeptical towards the idea of establishing such contacts. In mid-September, a Khomeini associate residing in the United States, Dr. Ebrahim Yazdi, contacted an official on the NSC staff, Gary Sick, to propose a meeting between himself and US Government representatives. Sick tried to arrange a meeting between Yazdi and State Department officials, but the idea was vetoed by higher levels of the department. The rejection likely furthered Yazdi’s and the Khomeini-led opposition’s distrust of the United States.²⁹⁶

This negativity towards such a meeting arose from fears of what the Shah would think of it. The monarch had frequently speculated that foreign forces were behind the events in Iran, and sometimes even seemed to fear American involvement. It was thought that a US meeting with Yazdi might reinforce this erroneous belief.²⁹⁷ For the same reason, the Carter administration was wary of making much contact with others in the opposition. In the words of Cyrus Vance: “The president and I feared, under the circumstances, that such conversations [with opposition

²⁹⁴ Situation Room to Camp David, September 9, 1978, NLC-2-13-1-2-2.

²⁹⁵ US Embassy in Tehran to Sec. State, August 29, 1978. NLC-16-45-3-19-2; Sec. State to US Embassy in Tehran, September 10, 1978. NARA, CFPP, 1978STATE229169; Sick to Brzezinski, September 7, 1978. NLC-25-122-7-5-6; Precht 2004: 13

²⁹⁶ Middle East to Brzezinski, September 13, 1978. NLC-10-15-2-1-1; Sick 1985: 54-55.

²⁹⁷ CIA intelligence analysis, September 7, 1978. NLC-25-33-9-6-3; Sick 1985: 54-55.

leaders] might further weaken the shah's confidence and feed his fears that we were attempting to position ourselves with a successor regime.”²⁹⁸

The Jaleh Square incident had aggravated anti-Shah sentiment in Iran to the extent that even the moderate opposition, including the National Front and others wishing for constitutional government, clearly stated that the Shah would need to abdicate. The moderates believed that he retained power principally through US support, and that if the Americans were to withdraw that support in the name of human rights, it would lead to his fall.²⁹⁹ But the Carter administration had no wish to support the Iranian opposition, despite the Shah's suspicions. Iran strategic value was too high, in light of such factors as its role as policeman of the Gulf and the US intelligence stations there that were vital for monitoring the USSR. It was very unlikely that this close relationship between Tehran and Washington could be retained if the Shah was overthrown. Moreover, the loss of this strategically vital ally could also, in Washington's view, open up the region at large to increased Soviet influence.³⁰⁰

The Americans believed that all of the Iranian political factions “tend[ed] to exaggerate their own importance as well as U.S. influence in Iran.”³⁰¹ Some officials also believed that if the Shah actually fell, then radical and extremist groups would stand the most to gain: NSC staff member Gary Sick asserted that “The moderates [...] would probably be swallowed up in the power struggles following the Shah's departure--even if they should be the ones who engineered it.”³⁰² It is clear, then, that the United States did not place much faith in the opposition moderates at this point.

The Carter administration did place its faith in the Iranian military, however. It was widely thought that the United States should continue to retain close relations with this institution, which the CIA believed would play a decisive role in any succession struggle. These relations would in such a scenario help protect US interests, and this conviction in turn helps explain the continued large-scale arms sales, which were seen as vital for retaining good relations with the Iranian military leaders.³⁰³

²⁹⁸ Vance 1983: 326.

²⁹⁹ Situation Room to David Aaron, September 13, 1978. NLC-1-7-8-26-7.

³⁰⁰ Njølstad, Olav. “Shifting Priorities: The Persian Gulf in US Strategic Planning in the Carter Years” in *Cold War History*, Vol. 4, No. 3, April 2004: 24-26; See Chapter 3 of this study for more on how the Carter Administration saw the Shah as a vital regional ally, similarly to earlier administrations.

³⁰¹ Situation Room to Aaron, September 13, 1978. NLC-1-7-8-26-7.

³⁰² Middle East Department to Brzezinski, September 13, 1978. NLC-10-15-2-1-1.

³⁰³ Brzezinski to Carter, September 18, 1978. NLC-1-7-8-40-1.

The Shah's predicament did not improve through the month of September, despite his rather erratic policy of mixing concessions with martial law. The opposition remained strong, and Khomeini's popularity continued to increase. In an attempt to undermine Khomeini's influence on Iranians, the Shah pressured the Iraqis to remove him from his refugee in their country. Khomeini, whose influence only continued to grow, eventually surfaced in France in early October.³⁰⁴

Meanwhile, Iran had fallen prey to a series of politically motivated strikes, leading to significant economic difficulties. Strikes had spread throughout the oil industry, and the result was a drastic decrease in production. The Shah began to weigh the drastic possibility of appointing a military government to restore order. When he asked the American and British ambassadors for their views on this option, they replied that it might be seen as a sign of weakness or loss of control. The ambassadors also argued that while the situation was serious, the Shah's prospects were in fact better than it seemed.³⁰⁵

The monarch also informed the ambassadors that Iran was cancelling all military cooperation with Israel. This was clearly a blatant attempt to appease his religious opposition, which had long resented the government's close connections with Jerusalem. In addition to the military ties, 70 per cent of Israel's oil imports were supplied by Iran.³⁰⁶

The Shah's deteriorating position worried the Carter administration, which clearly saw that its interests in Iran were now threatened. When Iranian Crown Prince Reza Pahlavi visited the United States at the end of October, Brzezinski wanted him to "convey to his father how concerned we are for Iran, a country which is terribly important for the U.S., and assure him of our continuing strong support."³⁰⁷

Washington remained convinced that the Shah would be best able to guide Iran through a transition period to a more democratic form of government, but Ambassador Sullivan felt the monarch needed to do much more to obtain public support. In particular, he thought the Shah needed to engage with the opposition, and especially those moderate ayatollahs and groups of people who were prepared to accept a continuation of the monarchy, albeit a constitutional one with more limited powers. The ambassador would advise the Iranian prime minister to include these moderate forces in a process leading towards a democratic election, but felt that

³⁰⁴ Keddie 1981: 251; Rubin 1981: 213, 220.

³⁰⁵ Christopher to Carter, October 24, 1978. NLC-7-20-8-14-9.

³⁰⁶ Ibid.

³⁰⁷ Brzezinski to Carter, October 30, 1978. NLC-6-29-1-13-9.

the communist Tudeh party should still be banned from participation.³⁰⁸ Sullivan opposed any US overtures to Khomeini, whose statements suggested to the ambassador that “he would wish to lead the country in a Nasser-Qadaffi direction,” and he concluded that “our destiny here is to work with the Shah.”³⁰⁹

Intelligence Failure Contributes to Unclear Policy

The Carter administration had always backed the Shah and believed that he would survive the crisis. But by the end of October 1978, US officials began to confront the possibility that Iran could face significant further turmoil. Would the safety of Americans in Iran be threatened in such a scenario? How should the security of advanced and sensitive US military technology be protected if the Shah were to fall? How would the Soviet Union and its allies in the Tudeh party attempt to exploit the new situation? There were no clear answers to these questions.³¹⁰

It was glumly noted that the United States had suffered from a massive intelligence failure regarding the seriousness of the situation up to this point. A memorandum written by the NSC staff stated: “Certainly this must go down as one of the most dramatic recent failures in CIA political analysis!”³¹¹

Thanks to this failure, there had been no real discussion of contingency plans, so few officials had any clear sense of how the United States should respond to a collapse of the existing Iranian government. One of the first major meetings devoted to the Iranian crisis was held on November 2 in the White House, and it illustrates the reigning confusion. This was one of the first major meetings within the US government that dealt with the Iranian crisis. It was attended by several influential policy makers, including Brzezinski, Secretary of Defense Harold Brown, Deputy Secretary of State Warren Christopher (who represented the State Department in Vance’s absence), and CIA Director Stansfield Turner.³¹²

The meeting was held in response to a telegram from Sullivan that reported on a meeting with the Shah, who had proposed three alternative courses of action. One course was a coalition government incorporating moderate parts of the opposition, such as the National Front. This

³⁰⁸ US Embassy in Tehran to Sec. State, October 27, 1978. NLC-16-46-2-29-1.

³⁰⁹ Ibid.

³¹⁰ Sick to Brzezinski, October 31, 1978. NLC-17-64-2-2-9.

³¹¹ Quote taken from Intelligence Coordination to Brzezinski, November 1, 1978. NLC-10-16-4-1-8; This intelligence failure is explored below. For further reading, see the study written by political scientist Robert Jervis, at the request of the CIA, in the spring of 1979, published in *Why Intelligence Fails: Lessons from the Iranian Revolution and the Iraq War*. New York: Cornell University Press, 2010.

³¹² Sick to Brzezinski, October 31, 1978. NLC-17-64-2-2-9; Minutes of Special Co-ordination Committee (SCC) meeting, November 2, 1978. NLC-25-95-6-11-2.

was tricky, however, as even moderate opposition leaders were calling for the Shah's abdication. Sullivan had cultivated some contacts within the moderate opposition and would try to argue for a continued role for the Shah in a potential agreement, as constitutional monarch and head of the military. The second course was a military government under the control of the Shah. In the ambassador's view, this would hopefully be a short-term measure that could restore orderly conditions while preparing for democratic elections. The final option was the Shah's abdication, which would probably lead to a military takeover, as the ambassador saw it.³¹³ Sullivan regarded the last option as disastrous, since "a military government without the Shah would be repressive, brutal and totally unimaginative [...] and would set the clock back on democracy."³¹⁴

At the meeting, there was widespread agreement that a military government under the control of the Shah was preferable to one outside his control. As for the idea of a coalition government with the opposition, many US officials were skeptical, including Secretary of Defense Brown and Brzezinski. The national security advisor worried that the United States had pressured Iran too much on the issue of liberalization and that this proposal was the result. He wondered whether the Shah was only considering this route because he believed it would please Washington, and argued that they should not do anything that could lead him in this direction, as a coalition government would be instable and prone to infighting. Brzezinski further noted that Zahedi, the Iranian ambassador to the United States, had stated that Sullivan was seen to be somewhat ambiguous in his support of the Shah.³¹⁵ He wanted to counter this trend by indicating the unreserved support of the United States and its recognition of the need for "decisive action to restore order and [the Shah's] own authority".³¹⁶

Brzezinski's views about the viability of a military recourse were not shared by Christopher, who argued that a military government could only be a short-term solution that would do little to solve the underlying problems in Iran. The Deputy Secretary of State believed that a coalition government might be more successful, and he defended the ambassador against Zahedi's accusation, saying that Sullivan had always been clear in his support for the Shah. He also questioned Brzezinski's wording of a proposed letter of support for the Iranian monarch, which he thought encouraged military action of some kind, though Brzezinski denied that this was his intention. After a few revisions, President Carter approved the letter

³¹³ Minutes of SCC Meeting, *Ibid*; US Embassy in Tehran to Sec. State, November 2, 1978. NLC-16-57-1-15-5.

³¹⁴ US Embassy in Tehran to Sec. State, November 2, 1978. NLC-16-57-1-15-5.

³¹⁵ Minutes of SCC Meeting, November 2, 1978. NLC-25-95-6-11-2.

³¹⁶ *Ibid*.

and its rather mixed line: support for the Shah in any action he needed to take to restore order, alongside encouragement to continue his liberalization program. This turned out to be indicative of the administration's general approach towards the Iranian crisis.³¹⁷

No specific advice was given regarding the Shah's three alternative courses of action, which bothered CIA Director Turner: he thought this would indicate that the United States either "might not know what it wanted, or [was] afraid to take responsibility for its choice."³¹⁸ The Shah had sought recommendations from the Carter administration and instead received the sort of non-decisions that would characterize US policy.

Appointment of a Military Government

The Shah's problems continued to mount into early November, with riots causing widespread destruction to Iran's urban centers. Cinemas and banks were burned, and the unrest had also taken a decidedly anti-foreigner turn that included the burning of the British Embassy.

Meanwhile, Washington remained split on what advice to give. While Brzezinski implied support for a military government in a phone conversation with the Shah, State Department officials dismissed this option in favor of showing support for a broad coalition government.³¹⁹

The Shah eventually told Sullivan that while he appreciated the president's assurances that the United States would back any course that he decided upon, including the installation of a military government if need be, he would prefer for the moderate clergy and National Front to support a coalition government that accepted his monarchical role. The Shah hoped that negotiations with these groups would stop the riots and halt the strikes that were causing havoc in every sector of the Iranian economy. Unfortunately, it was clear to all that these moderates would have to openly break with Khomeini and his large following in order to join a coalition, and they showed no inclination to do so. A State Department paper then concluded that there was little hope for such negotiations without Khomeini's support.³²⁰

³¹⁷ Ibid; This mixed line, calling for both the restoration of order and supporting liberalization, characterized the US approach throughout the crisis. See for instance, Sec. State to US Embassy in Jidda, November 4, 1978. NARA, CFPF, 1978STATE280928; Sec. State to US Embassy in Tehran, November 22, 1978. NLC-16-57-5-41-2.

³¹⁸ Minutes of SCC Meeting, November 2, 1978. NLC-25-95-6-11-2.

³¹⁹ US Embassy in Tehran to Sec. State, November 5, 1978. NLC-16-57-1-40-7; Rubin 1981: 224.

³²⁰ US Embassy in Tehran to Sec. State, November 5, 1978. NLC-16-57-1-29-0; US Embassy in Tehran to Sec. State, November 5, 1978. NLC-16-57-1-41-6; Dodson (NSC staff) to Vice President Mondale, Vance, Brown, et al., November 6, 1978. NLC-20-19-2-4-3.

After failing to make any sort of deal with members of the opposition, the Shah announced the installation of a military government on November 6, 1978. In a speech to the Iranian people he claimed that this was a temporary move in advance of a government that could oversee free elections. The Shah surprised many with his conciliatory tone. He not only acknowledged the revolution, but also claimed that he had always supported it and promised to make amends for past mistakes. Rather than increase support for the Shah, this speech probably encouraged his opposition, which came to believe that it was succeeding.³²¹

US policymakers had the overall impression from the Shah that it would be best for them to steer clear for the moment, and not show overt support, lest he again be viewed as Washington's puppet. Consequently, the Carter administration did little to affect the situation in Iran. This low profile was also likely influenced by an unclear view of the situation, which made it difficult to set on a clear course. At another White House meeting, in which several high-level officials took part, there was widespread concurrence that the intelligence that the administration was receiving from Iran was very poor. The Americans' reliance on the Shah's men for information and lack of contacts with the opposition had strongly contributed to the intelligence failure and, in turn, to the biased view with which they all worked.³²² As such, interest again arose in making further contact with the opposition, even as Vance pointed out that the United States must not give the Shah any indication of waning support for him by doing so.³²³ Evidently, the same considerations that had contributed to the initial intelligence failure were still affecting US policy.

The Carter administration did assure the Shah of its full support of his decision to install a military government, seeing this as a temporary measure that could restore order while eventually paving the way for a process of liberalization. Both political aspects and economic considerations motivated the American reaction, as Washington viewed the growing strikes in the Iranian oil sector with great concern. The reduction in oil production, now at only one-fourth of the normal levels, threatened Western interests as well as Iran's entire economy. As such, it was seen to be urgent that the Shah take steps to return Iran to normal conditions.³²⁴

³²¹ US Embassy in Tehran to Sec. State, November 6, 1978. NLC-16-57-1-51-6; Ansari 2003: 206-207.

³²² Minutes from Policy Review Committee (PRC) Meeting, November 6, 1978. NLC-39D-38-99-4-5; Sick 1985: 77. This error was frankly discussed by US officials in the PRC. However, parts of the relevant material have been censored in the NLC document, and Sick's account thus provided a useful role in filling this gap.

³²³ Minutes from Policy Review Committee (PRC) Meeting, November 6, 1978. NLC-39D-38-99-4-5.

³²⁴ Sec. State to US Embassies in Moscow, Rome, Cairo, Jidda, Bonn, et al., November 8, 1978. NLC-16-57-2-46-0.

This return to normality was a central goal for the new prime minister of Iran, General Gholam Reza Azhari, as well. As a result, he implemented harsher measures against the demonstrators and strikers, thereby forcing employees in important sectors of the economy to return to work. The government also took stronger actions against certain opposition leaders. Prominent figures in the National Front were arrested, after characterizing the Pahlavi dynasty as “illegal” and officially backing Khomeini’s demand that the Shah must abdicate.³²⁵ Yet there was no comprehensive crackdown in the weeks that followed his appointment. While parts of the military leadership had supported such a solution, it should be noted that General Azhari did not lead a “true” military government. Most ministers were civilians, which kept the military from becoming totally dominant. In addition, the US Embassy did not see Azhari as someone who would be inclined towards a harsh crackdown.³²⁶

Meanwhile, the Shah’s hopes of making a deal with the opposition continued to dwindle. The National Front, as well as the other moderate oppositionist groups, had thrown in with Khomeini, possibly seeing no other choice in light of his popularity.³²⁷ Still, there was some good news for the Carter administration in November. The oil situation improved, as stronger action against strikers proved successful in getting employees back to work and increasing production.³²⁸ While the United States itself could manage without Iranian oil, several NATO allies, as well as Israel and Japan, were seen by Washington as quite reliant upon it. Relatedly, Iran protected the Strait of Hormuz, through which over 70 per cent of the oil supplies to these countries passed. If the Shah were to fall, this supply would also possibly be endangered.³²⁹ As such, the crisis in Iran attracted ever-increasing attention on the world stage.

The Soviet Threat in Iran

The internationalized aspect of the Iranian crisis was well-illustrated on November 17, 1978, when the leader of the Soviet Union, Leonid Brezhnev, sent a letter to President Carter about the situation in Iran. Brezhnev warned Carter strongly against any US interference in the crisis, claiming that his sources had told him that Washington was even considering military

³²⁵ Sec. State to All European Embassies, November 7, 1978. NLC-16-57-2-30-7; Buchan 2012: 244; Rubin 1981: 225.

³²⁶ Sec. State to US Embassy in Tehran, November 9, 1978. NLC-16-57-3-20-7; Buchan 2012: 240; Rubin 1981: 227; Vance 1983: 329.

³²⁷ US Embassy in Tehran to Sec. State, November 12, 1978. NLC-16-57-3-44-1; This interpretation is also supported by Buchan 2012: 236-237.

³²⁸ US Embassy in Tehran to Sec. State, November 15, 1978. NLC-16-57-4-40-4.

³²⁹ Secretary of Energy Schlesinger to Carter, November 10, 1978. NLC-15-20-4-9-0; Secretary of the Treasury Blumenthal to Carter, November 22, 1978. NLC-16-57-5-42-1; For more on the Strait of Hormuz, the importance of which has been noted earlier, see Ramazani 1979.

intervention. Any such activity in a country that bordered the USSR would be regarded as impacting Soviet security interests, Brezhnev announced.³³⁰

While it is not known whether the Soviets' fear of US military intervention was genuine, there is nothing that indicates that such plans were considered. In any event, Washington found Brezhnev's letter troublesome. Brzezinski interpreted the warning to extend even to US advice to the Shah on the handling of the crisis. The national security advisor subsequently advised Carter that restoring order in Iran would demand "unequivocal support for the Shah, not diluted by conditional references to elections or liberalization."³³¹ In his reply to Moscow, the president chose to give what he got. He denied the suggestion of US interference and warned in turn that if the "incorrect reports to which you refer might be used to justify Soviet interference in Iranian affairs" it would be "a matter of the utmost gravity to us."³³²

Indeed, there had been much speculation about possible Soviet involvement in the Iranian crisis, particularly from the Shah himself. While US intelligence had yet to find evidence of it, the belief would gain traction in US Government circles, and Brzezinski even gave some backing to this view.³³³ The failure of US intelligence with regard to the whole crisis should also be linked to such concerns with the Soviet threat towards Iran. As this potential threat had always been Washington's main fear, US intelligence had not in the past given much attention to the threat posed to the Shah's rule by the religious opposition. The events of 1978 thus caught the Carter administration unaware.³³⁴

A State Department analysis soon concluded that there was no evidence of Moscow having played any role in the Iranian crisis. It also argued that Brezhnev's letter did not in fact imply such involvement, but rather sought to distance the USSR from any accusations of interference. The analysts even contended that the Soviets might not want the Shah to be overthrown. Though it represented an "enemy" from a Cold War point of view, Iran had solid

³³⁰ Brezhnev to Carter, November 17, 1978. *FRUS, 1977-1980, Volume VI, Soviet Union*: Document 158. <https://history.state.gov/historicaldocuments/frus1977-80v06> Accessed May 7, 2015.

³³¹ Brzezinski to Carter, November 17, 1978. NLC-17-87-4-8-6.

³³² Quote seen in memorandum from Brzezinski to the US Ambassador in the USSR, November 21, 1978. *FRUS, 1977-1980, Volume VI*: Document 160; see also: Vance to Carter, November 18, 1978. NLC-133-216-5-11-17.

³³³ Minutes of Special Co-ordination Committee (SCC) meeting, November 2, 1978. NLC-25-95-6-11-2; Sick 1985: 106 (Sick describes a later case, but clearly details long-held beliefs by Brzezinski); There would continue to be speculation of communists and Soviet-friendly forces playing a greater role in the crisis than it appeared. For instance, there would later be some discussion in a White House meeting whether the popular resistance towards the Shah was partly being "orchestrated" by Tudeh: Minutes from mini-SCC meeting, December 5, 1978. NLC-25-95-11-3-5.

³³⁴ Bill 1988: 401-402; See chapter 2 for more on this Soviet-centric focus. Chapter 5 also contains more on this.

economic relations with the Soviet Union that could be endangered if other, as yet indeterminate, forces gained power. The alternatives included an extremist Muslim government or military rule, both of which might be more hostile towards the USSR.³³⁵

Widespread Disagreement within the US government

Brzezinski did not appear to subscribe to the State Department's analysis, as he continued to believe in the possibility of Soviet involvement. In addition, whether Moscow had earlier interfered or not, NSC staff members thought that the USSR and its Iranian allies might exploit a chaotic situation to improve their leverage in Iran. These beliefs may have contributed to Brzezinski's continued lobbying for the United States to declare its support for harsher measures by the Shah against the opposition. The national security advisor had become convinced that only a crackdown by the Iranian military could save the Shah's rule.³³⁶

Brzezinski's hardline position, which he would hold throughout the Iranian crisis, dovetailed with his general foreign policy line, which privileged Cold War factors and US strategic interests above all else. Tough military action was thus seen as necessary to retain Iran as a Western ally, and he seemingly believed that even though such a solution might have its costs, it would save Iran from further damage and turmoil in the long run.³³⁷

His fiercest opposition, as ever, came from State Department officials, who largely thought any kind of crackdown broke with the Carter administration's human rights policy. Brzezinski clashed most with the department's Iran desk, led by Henry Precht who felt that Washington needed to reevaluate its strategy towards Iran. State Department advisors were increasingly doubtful as to whether the Shah could survive the crisis in any capacity and pressed for more flexibility from the administration's Iran policy. If the Shah could not make a deal with the moderate opposition, it was argued, the United States should help with an agreement between the military and the clergy, so as to prevent Iran from collapsing into disorder.³³⁸ The military,

³³⁵ Sec. State to "All Near Eastern and South Asian Diplomatic posts," November 23, 1978. NLC-16-58-1-15-4.

³³⁶ Sick to Brzezinski, October 31, 1978. NLC-17-64-2-2-9; Brzezinski 1983: 371, 394-397; Sick 1985: 70-71, 106; Rubin 1981: 231.

³³⁷ This explanation fits well with Brzezinski's own description of his motivations. Brzezinski 1983: 394-396. While most of his rather partisan memoirs should not be uncritically accepted, there doesn't seem to be any other more likely explanations in this case. For more on his general Cold War focus in foreign policy, see Chapter 1, in addition to Brown 1994: 313.

³³⁸ Vance 1983: 329-331; Precht 2004: 15-19; Brzezinski 1983: 355, 371-372; Precht's views will be discussed further in this chapter.

after all, had been regarded as an essential aspect of any post-Shah alignment with the West, and the clergy retained enormous influence in Iran.³³⁹

In a controversial cable dated November 9, Ambassador Sullivan also seemed to back the idea that the United States should start to plan for the possibility of a post-Shah Iran, in apparent contradiction to his earlier stand that Washington had to be adamant in its support for the Shah. The ambassador had come to believe that the Shah was neither willing nor capable of initiating a brutal “iron fist” strategy against the opposition, and he wondered whether the monarch might soon end up leaving Iran, along with his senior military leaders. If that happened, Sullivan predicted, the Khomeini camp and the remaining military would soon reach an accommodation. The ambassador felt that relatively pro-Western moderates in the opposition would thereby gain influential positions, and that Khomeini himself would likely agree to a symbolic leadership position in the new Iran. As he saw it, the influence of moderates and the military would enable the US to preserve most of its strategic and economic interests. Though Iran’s ties to Israel would be broken, it would remain anti-communist, because Khomeini and the military were hostile to this ideology. Sullivan also assumed that any new regime in Iran would recognize the value of retaining close economic ties with the West.³⁴⁰

It is not entirely clear why the ambassador changed his views on the Shah and the opposition, though the deteriorating situation may have prompted him to allow for a new strategy. Regardless, this only annoyed officials in the Carter administration, who had no wish to prepare a change in policy. Furthermore, Sullivan was rather vague as to on whether he really felt this scenario would occur or a new strategy was needed. When his proposal was not taken seriously, he did not press the issue for a while.³⁴¹

The United States stuck to its unconditional support of the Shah, as the arguments from the likes of Sullivan and Precht got little backing within the Carter administration. This was partly related to Vance’s lack of expressed support for the ideas of his subordinates, with the secretary of state not playing a very active role on Iranian issues at this point. He was entirely preoccupied with other issues, such as the peace negotiations between Israel and Egypt, and

³³⁹ The US belief in the military’s importance if the Shah fell, which was also a secondary motivation behind the large-scale arms to Iran, has been noted earlier in this chapter.

³⁴⁰ US Embassy in Tehran to Sec. State, November 9, 1978. NARA, CFPF, 1978TEHRAN11039.

³⁴¹ Ibid.; Sick 1985: 81-83; Sullivan 1981: 204; Precht 2004: 17-18.

State Department officials had little hope of changing US policy without his explicit backing.³⁴²

The Carter administration believed that its backing of the Shah was crucial to the survival of his reign, even as worries persisted that the monarch was not doing enough to survive the crisis.³⁴³ While the administration emphasized its support, partly to ease the Shah's concerns that the US was less than steadfast in its backing, it also wished to make clear to him that "the decisions are his and that the leading role in this crisis cannot be shifted to another party."³⁴⁴ Its reluctance to influence the Shah in any particular direction was likely affected by the continuing problem of poor intelligence reports, which led policymakers to have an unclear view of the situation in Iran.³⁴⁵

Proposed Changes of Course

The lack of knowledge about the situation, and the widespread disagreements within the US government, led Secretary of the Treasury Blumenthal to suggest bringing in an outside voice to analyze US policy. The president agreed to this proposal, and the man chosen to perform this task was George Ball, a veteran American diplomat.³⁴⁶ Ball started his work in late November 1978, at a critical point in the crisis. General Azhari's efforts to restore order had proven only temporarily successful, and there was renewed violence, and many casualties, in the beginning of December. The US Embassy received reports of up to two thousand deaths, in fact, though the actual totals many have been in the hundreds. Simultaneously, anti-Americanism was spreading as a result of the close US alignment with the Shah. Anti-American slogans were now a constant feature in demonstrations, and, though no Americans had yet been killed, Washington began to fear for the safety of US citizens living in Iran.³⁴⁷ Meanwhile, politically motivated strikes were again causing havoc in the economy, and Iran's banking system was largely paralyzed, according to the US Embassy.³⁴⁸

³⁴² Sick 1985: 70-71; Vance's relative lack of involvement in issues related to Iran was also noted in a later telegram, dating from 1979: Sick to Brzezinski, October 16, 1979. NLC-25-142-1-42.

³⁴³ Sec. State to US Embassy in Tehran, November 22, 1978. NLC, 16-57-5-41-2.

³⁴⁴ Ibid.

³⁴⁵ Even as the year came to a close, in fact, Cyrus Vance would note that policymakers in Washington were "hampered in our decision-making" due to a lack of knowledge about certain developments. Sec. State to US Embassy in Tehran, December 30, 1978. NLC-16-60-2-12-3.

³⁴⁶ Brzezinski 1983: 370; Vance 1983: 330.

³⁴⁷ US Embassy in Tehran to Sec. State, December 2, 1978. NLC-16-58-3-21-5; US Embassy in Tehran to Sec. State, December 6, 1978. NLC-16-58-5-32-1; Sec. State to "All European Diplomatic Posts," December 3, 1978. NLC-16-58-3-27-9; Sick to Aaron, December 4, 1978. NLC-25-95-11-1-7; Kurzman 2004: 109.

³⁴⁸ US Embassy in Tehran to Sec. State, December 5, 1978. NLC-16-58-4-34-0;

George Ball took part in his first White House meeting focused on Iran on December 5. The first half was dedicated to the discussion of the Americans in Iran and resulted in widespread agreement that their lives were at risk if the situation escalated further, as appeared likely. Skepticism remained regarding the withdrawal of US personnel, however, as it was thought that this could contribute to the fall of the Shah. A withdrawal could be interpreted as a lack of belief in his leadership, or an abandonment of Iran under these tough conditions. Ball argued against this skepticism, stating that the United States could not risk the lives of its civilians for these reasons—it would be devastating, morally and politically, if anything were to happen. His arguments played a vital part in the decision to start a withdrawal of US dependents from Iran.³⁴⁹

Ball chaired the second half of the meeting and used the opportunity to propose a new solution to the Iranian crisis. He suggested that the United States recommend to the Shah that a “council of notables” be chosen, consisting of well-respected, moderate Iranians from both sides of the political divide. This council’s task would be to choose a new government that would work for stability in Iran, and Ball recommended that the Shah pledge not to use the military as a consequence of any disagreement with the decisions of the council or the new government. In effect, his proposal indicated that the Shah would be relinquishing almost all of his political powers, even though the monarchy would be retained. It was a far-reaching proposal, and its implementation would have marked a clear change of course in US policy.³⁵⁰

It was therefore controversial and sparked much debate within the US government. State Department advisors, on the one hand, were pleased that such a high-ranking official had endorsed the need for change in US policy. On the other hand, Brzezinski felt that Ball’s proposal amounted to handing power over to the opposition, likely leading to radical opposition forces prevailing in Iran. The national security advisor stuck to his view that the US should do all it could to encourage the Shah to reassert his authority, ideally through a true military government.³⁵¹

On December 13, Ball presented his full proposal at another White House meeting. He also added that the window was closing for the United States to try to save Iran from total chaos, a

³⁴⁹ Minutes from mini-SCC meeting, December 5, 1978. NLC-25-95-11-3-5; Sick 1985: 116-17.

³⁵⁰ Minutes from mini-SCC meeting, December 5, 1978. NLC-25-95-11-3-5.

³⁵¹ Sick 1985: 109, 116; Brzezinski 1983: 372-73; Brzezinski’s views on liberalization in Iran were described earlier.

view that was supported by Deputy Secretary of State Warren Christopher.³⁵² Ball advised that the US government should “press the Shah for an early dramatic announcement that he would relinquish power to a civilian government, retaining his position as Commander-in-Chief of the military with some constraints.”³⁵³ Brzezinski then led the charge against this proposal, but others were also skeptical, including Defense Secretary Brown and Secretary of Energy James Schlesinger, who seemingly felt that the United States should not push the Shah into doing anything that had such an uncertain outcome. In the end, the president did not accept Ball’s suggestion.³⁵⁴ While he claimed to sympathize with parts of it, he was not willing to “tell another head of state what to do.”³⁵⁵

As the discussions went on in Washington, the problems mounted in Iran, as demonstrations grew even bigger, indicating that Khomeini had massive support among the population. The Shah continued weighing his options, which remained the same. Ambassador Sullivan advised him that a military solution would not be workable in the long run, and that the Shah should continue his efforts to form a coalition with moderate opposition leaders.³⁵⁶ Sullivan thought that the opposition forces might still come to terms with the Shah, “Khomeini to the contrary notwithstanding”, if he could convince them that he was willing to become a constitutional monarch alone.³⁵⁷

The ambassador’s continued faith in the possibility of such a compromise was likely sustained by signals of moderation from parts of the opposition. Representatives of the National Front had told US officials that any government it led would be anti-communist and would retain good relations with the United States and the West. Such a government would even continue to supply oil to Israel, they claimed—though Khomeini was opposed to this eventuality, he would eventually have to come round to it. Nevertheless, though, the National Front clearly felt that a coalition government under the Shah was impossible.³⁵⁸ Sullivan’s faith also indicates that he somewhat underestimated Khomeini at this point. Given the latter’s influence and popularity, it is difficult to imagine that any moderate opposition leader would have dared to make an agreement with the Shah without the ayatollah’s approval.

³⁵² Inderfurth to Sick, summary of SCC meeting, December 13, 1978. NLC-25-95-13-1-4.

³⁵³ *Ibid.*

³⁵⁴ Brzezinski 1983: 373; Sick 1985: 116; Vance 1983: 331.

³⁵⁵ Sick 1985: 116. Gary Sick portrays this as a direct quote from the president.

³⁵⁶ US Embassy in Tehran to Sec. State, December 13, 1978. NLC-16-59-2-15-2.

³⁵⁷ *Ibid.*

³⁵⁸ Sec. State to US Embassy in Tehran, December 15, 1978. NLC-16-59-2-28-8.

Khomeini continued to leave his imprint on the crisis. On December 18, 1978, he called for more strikes, leading to a significant drop in commercial activity. By this point, important sectors of Iran were in disarray: schools were forced to close; the Central Bank had stopped functioning; and nightly power blackouts were being used to undermine the Shah, thanks to revolutionaries working in the electric power plants.³⁵⁹ Most dramatically, the situation in the oil sector deteriorated further, eventually leading to a cessation in production. Meanwhile, violence on the streets increased, contributing to a very tense situation.³⁶⁰

In these circumstances, the Shah grew desperate for advice. His talks with the opposition had failed, and he now thought that installing a hardline military government might be his only option, bringing order by “brutal oppression.”³⁶¹ When the Shah asked Sullivan whether Washington would support this choice, the ambassador told him that “the U.S. could not make such a decision for Iran.”³⁶² While there was widespread agreement in Washington that the Shah’s indecisiveness was damaging, the US government gave him no concrete guidance.

This was partly because of Washington’s unwillingness to assume responsibility for the Shah’s choices, and due to Carter’s reluctance to tell a foreign head of state how to handle his internal affairs. But it is also very likely that the vast policy differences within the administration were contributing to the Americans’ reticence. Brzezinski was uncomfortable with Sullivan’s reply to the Shah, which he clearly thought should have been an emphatic “yes.” Other prominent officials, such as Defense Secretary Brown, also thought that a military solution might eventually prove necessary, though none of them shared Brzezinski’s adamant belief.³⁶³

On the other side of the debate, State Department advisors had argued that the United States should seek contact with all parts of the Iranian opposition, including Khomeini’s followers. They felt that Washington should arrange an accommodation between the powerful religious opposition and the military, to ensure the stability of Iran and protect US interests. In light of the Shah’s increasing difficulties, there was a strong feeling within the State Department that Washington should prepare for a future without him. The Iran desk of the department

³⁵⁹ Sec. State to US Embassy in Tehran, December 16, 1978. NLC-16-59-3-27-98; Sec. State to All European Diplomatic Posts, December 18, 1978. NLC-16-59-3-28-7; Rubin 1981: 238 describes further power cuts in Iran.

³⁶⁰ Sec. State to All European Diplomatic Posts, December 28. NLC-16-59-6-24-8; Rubin 1981: 238.

³⁶¹ Vance to Carter, December 26, 1978. NLC-133-7-2-52-7.

³⁶² Ibid.

³⁶³ Ibid.; Brzezinski 1983: 375, 395.

supported this idea, and its head, Henry Precht, argued that the US should stop backing the Shah so adamantly, as this could only hurt its position in Iran after his fall.³⁶⁴

Though Cyrus Vance clearly preferred that the Shah remain in power, he eventually supported some of these next steps, including the establishment of contacts with all of the influential opposition groups in Iran. He apparently wanted the United States to be in a position to protect its interests there if the Shah fell. The secretary of state also dismissed Brzezinski's support for a crackdown. First of all, he thought that the military would be unable to implement one, as the army, consisting largely of conscripts, would be unwilling to confront its fellow citizens.³⁶⁵ Secondly, he felt that "support for the iron fist would be antithetical to what I believed the Carter administration stood for."³⁶⁶ Here again, the administration clearly needed to walk a fine line between advancing a humanitarian agenda and protecting US strategic interests.³⁶⁷

The rising conflict between Vance and Brzezinski was apparent at a high-level policy meeting on December 28. Vance's view that the United States should engage actively with the opposition in working toward a viable coalition received little support. The other attendees, including Brzezinski, Brown, Turner, and Schlesinger, opposed this option. Instead, Brzezinski wanted to send a message to the Shah that clearly encouraged a military solution. Vance argued strongly against this, and the meeting produced a compromise message to Iran that was ambiguous enough that both the national security advisor and the secretary of state felt that it represented their own views.³⁶⁸ It did not go into specifics, only "emphasizing that the current uncertainty was destructive and urging the Shah to decide upon an appropriate course of action."³⁶⁹

³⁶⁴ Precht to Sullivan, December 17, 1978. *Documents from the U.S. Espionage Den* (henceforth DUSED), Vol. 13, part 5: 16-18. All DUSED sources used in this study were gathered online, and all cited volumes have been converted to PDF files: <https://archive.org/details/DocumentsFromTheU.s.EspionageDen> Accessed May 7, 2015; Precht to Saunders, December 17, 1978. DUSED, Vol. 13, part 5: 19-24; Vance 1983: 329-332; Rubin 1981:237.

³⁶⁵ Vance 1983: 329-332

³⁶⁶ Vance 1983: 331.

³⁶⁷ For more on the split foreign policy nature of the Carter Administration, first introduced in Chapter 1, see Brown 1994: 312-314; Kaufman 2008: 5, 240; See also Chapter 3 of this study, which emphasizes some of Washington's difficult balancing acts in its policy towards Iran, on issues like arms sales and human rights.

³⁶⁸ Summary of SCC Meeting, December 28, 1978. NLC-15-20-5-20-6; Brzezinski 1983: 375; Vance 1983: 332-333; Sick 1985: 126.

³⁶⁹ Summary of SCC Meeting, December 28, 1978. NLC-15-20-5-20-6.

The End of the Year—and the Beginning of a New Era?

Around this time, the Shah announced that he would appoint a new government. It would not be a hardline military government but rather a civilian government led by Shapour Bakhtiar, a once-prominent member of the National Front. After long negotiations, Bakhtiar had agreed to serve as Prime Minister. It represented a last-ditch effort by the Shah to save his position, after the crisis had continued to escalate. On December 31, the US Embassy reported that Iran was in a state of anarchy, with large-scale violence on the streets and a paralyzed economy. It was not seen as safe for US citizens to remain there under these circumstances, given the increasing anti-Americanism, and Washington was forced to start making plans to bring large numbers of people home from Iran.³⁷⁰

Apparently, the Shah did not deem it safe to stay in Iran either and the US Embassy was told that he would soon be leaving for a vacation. Ambassador Sullivan had told him that he would be welcome in the US, and the Shah considered staying away until the crisis abated.³⁷¹ As it turned out, the situation would not return to normal. 1979 would see the emergence of a new Iran and large upheavals in its relations with the United States.

³⁷⁰ US Embassy in Tehran to Sec. State, December 30, 1978. NLC-16-60-2-9-7; US Embassy in Tehran to Sec. State, December 31, 1978. NLC-16-60-2-24-0; Rubin 1981: 237-238.

³⁷¹ US Embassy in Tehran to Sec. State, December 29, 1978. NLC-16-47-1-43-5; US Embassy in Tehran to Sec. State, December 30, 1978. NLC-16-60-2-9-7.

Chapter 5: The Beginning of the End

Forces led by Ayatollah Khomeini assumed power in Iran in 1979. This meant the end to the US-Iranian alliance, and a massive conflict arose between the two former allies in November of that year, when officials at the US Embassy in Tehran were taken hostage. After this, bilateral diplomatic relations were soon broken. In what ways did the Carter administration attempt to influence the situation in Iran after the Shah had left, and why? Who did the Americans see as likely to dominate Iranian politics following this? How did Washington try to retain ties with Tehran after Khomeini installed his new government?

The Captain Prepares to Leave the Sinking Ship

On January 1, 1979, it was becoming clear that the Shah would soon leave Iran, with the Palace officially confirming that he would be going on vacation for “medical treatment.”³⁷² Otherwise, however, the future was entirely uncertain. General Azhari had resigned as prime minister, to be succeeded by Shapour Bakhtiar, a onetime member of the National Front. Bakhtiar’s decision to serve was condemned by his former colleagues in the NF, as they were strongly opposed to taking part in any government under the Shah.³⁷³ Without much of a base of support, many thought Bakhtiar’s time in office would be short. The US State Department did not see how he could form a viable government, and the Shah himself indicated to Ambassador Sullivan that he expected Bakhtiar to fail.³⁷⁴

As such, the decision to appoint him was obviously a last-ditch, long-shot attempt of easing the country’s political and economic crisis. The Shah hoped that Bakhtiar could increase production in the oil fields and restore order in the population, working in tandem with the military. Ambassador Sullivan shared this view, stating that the United States needed to hope for Bakhtiar’s success and for the continued cohesion of the armed forces. An intact and obedient military was crucial to Iran’s stability and alignment with the West.³⁷⁵ Sullivan also warned the Carter administration at this time that the United States should start preparing for certain contingencies in its policy, because “if the Shah leaves, he may never be allowed to return.”³⁷⁶

³⁷² US Embassy in Tehran to Sec. State, January 1, 1979. NLC-16-60-3-20-3.

³⁷³ Ibid; US Embassy in Tehran to Sec. State, January 1, 1979. NLC-16-60-3-23-3; Buchan 2012: 257.

³⁷⁴ US Embassy in Tehran to Sec. State, January 2, 1979. NLC-16-60-3-43-8; State Department summary of its past analyses on Iran, January 10, 1979. NLC-25-35-3-3-0

³⁷⁵ US Embassy in Tehran to Sec. State, January 1, 1979. NLC-16-60-3-23-0.

³⁷⁶ Ibid.

Duly informed of the potential risk, President Carter nevertheless promptly encouraged the Shah to depart the country as soon as possible. The Shah had started to vacillate on when he should leave, perhaps wanting to keep his options open, and Ambassador Sullivan wrote to Secretary of State Vance that Bakhtiar would surely fail if the Shah did not leave, thanks to the enormous popular resistance to the Shah's rule. Vance and the president were persuaded, and Carter sent the Shah a letter to remind him that America would welcome him with open arms. He also indicated Washington's support for his decision to appoint a civilian government that would serve under a regency council appointed by the Shah. While the administration hoped that the military would support Bakhtiar, it also wanted the military to be ready to restore order if the prime minister failed to do so.³⁷⁷

The White House was also concerned that the military would disintegrate when challenged by Khomeini's forces. Though the military leadership was regarded as pro-Western, many of the troops were assumed to sympathize with the Khomeini camp.³⁷⁸ As such, Washington wanted to ensure that the military leaders stayed in Iran even after their commander-in-chief, the Shah, had departed. For this purpose, the Carter administration decided to send US General Robert Huyser to Iran, to act as a liaison between the Iranian military establishment and the US government. The nature of Huyser's mission has been disputed—some accounts of the Iranian Revolution give the faulty impression that the general had been tasked with pushing the Iranian military towards a coup.³⁷⁹ US Government sources, on the other hand, demonstrate that his primary job was to keep the military united, and convince its leadership to support Bakhtiar.³⁸⁰

Bakhtiar was also trying to secure all the support he could get. While Washington saw him as likely to follow a mostly pro-Western policy, and preserve Iran's close relations with the United States, he also took steps to distance himself from the Shah. He promised reforms and pledged to release political prisoners, prosecute corrupt officials, and democratize Iran. In an effort to appease the opposition, he also stated that Iran would probably cease all oil

³⁷⁷ US Embassy in Tehran to Sec. State, January 8, 1979. NLC-16-60-6-33-6; Vance 1983: 335; Brzezinski 1983: 376-377.

³⁷⁸ This was noted at an SCC Meeting on January 11, 1979. NLC-15-20-6-14-2.

³⁷⁹ For one such account, see Kurzman 2004:157 (Kurzman does not provide a proper source to support this notion). Kenneth Pollack also partly supports this faulty interpretation (Pollack 2005: 148).

³⁸⁰ Memorandum for Brzezinski, early January, 1979 (precise date and author unknown). NLC-25R-33-6-395-6; Jampoler to Sick, analysis of the Huyser Mission, September 25, 1980. NLC-15-99-8-1-8; This conclusion is also supported by the numerous other sources cited below in this subsection.

shipments to Israel under his leadership.³⁸¹ None of these promises, however, had any effect, and the opposition continued to view him as an illegitimate puppet of the Shah. Khomeini also made it clear that Bakhtiar had to go, and that there was no room for compromise—even among the ayatollah's more moderate allies, such as the National Front, there was consensus around this view.³⁸²

Day by day, then, things got worse for Bakhtiar. Strikes continued to cause havoc—on January 10, 1979, the US Embassy reported that the economy in Iran remained paralyzed, with the banking sector shut down. Also, the widespread riots had gotten so bad that the regular police had simply abandoned the streets in several towns.³⁸³ It was a desperate time for the government.

A Deal with the Devil?

It had become clear to all US policymakers that their interests in Iran were profoundly threatened. No one knew what would happen, but most assumed the worst in terms of American interests, unless drastic steps were taken. The central problem was that there was no agreement on which direction the United States should go. At this point in early January, Ambassador Sullivan had begun to urge for direct contact with Khomeini. Though he had previously hesitated to do so, he was now clear: to prevent Iran from descending into a civil war, the two most influential institutions in the country, the military and the clergy had to come to an understanding. This would only happen with Khomeini's blessing, and the United States should therefore work to secure it. Otherwise, Sullivan warned, the Soviet-backed Tudeh party would likely exploit the deteriorating situation. As both the military and Khomeini wanted to minimize the influence of the communists, this might represent common ground on which to base an arrangement.³⁸⁴

Sullivan's hope for such an arrangement was likely inspired by the fact that the ayatollah's inner circle had been sending out signals of moderation by assuring US officials that a government installed by Khomeini could have friendly relations with all nations, including the

³⁸¹ Defense Intelligence Agency (Defense Dep.) to White House, January 2, 1979. NLC-16-60-3-9-6; Sec. State to all European Diplomatic Posts, January 4, 1979. NLC-16-60-5-17-5; Analysis by the National Foreign Assessment Center (CIA), January 16, 1979. NLC-25-34-3-40-0; for more on Bakhtiar's attempts to distance himself from the Shah, see Buchan 2012: 263 and Rubin 1981: 242.

³⁸² US Embassy in Tehran to Sec. State, January 7, 1979. NLC-16-60-6-20-0; Summary of developments in Iran, January 8, 1979 (author unknown, but likely sent to Brzezinski). NLC-4-16-8-5-7.

³⁸³ US Embassy in Tehran to Sec. State, January 10, 1979. NLC-16-61-2-26-7; US Embassy in Tehran to Sec. State, January 11, 1979. NLC-16-61-3-20-2. This source names Ardebil, Kermanshah and Ilam amongst these towns.

³⁸⁴ Sick to Newsom, January 9, 1979. NLC-133-216-7-8-9; Sullivan 1981: 225; Vance 1983: 336.

United States.³⁸⁵ Though this contrasted with some of the ayatollah's more vitriolic statements about their country, it seemed to encourage US analysts who hoped that his personal anti-Americanism would not prove to be decisive. Many US officials even believed that if Khomeini triumphed, he might agree to assume the role of *spiritual leader* and stay clear of the day-to-day running of government and making of foreign policy. This view got much support at a White House meeting, particularly from Henry Precht and other State Department Officials, on January 11.³⁸⁶ While such analysis later proved mistaken, it is probable that this contributed to Sullivan's hope for a negotiated solution.

Sullivan's proposal was at first attractive to the Carter administration, but in the end the president rejected it. He simply did not see the ayatollah as someone who was capable of compromise, and he thought that a meeting would only offer him an opportunity to attack and otherwise embarrass the United States. Instead, it was decided that the US would send messages indirectly to Khomeini, using French intermediaries.³⁸⁷ In response to this decision, Ambassador Sullivan sent a "plea for sanity" to Cyrus Vance, telling him that "[the] president has made gross and perhaps irretrievable mistake by failing to send emissary to Paris to see Khomeini as previously agreed."³⁸⁸ He argued that Carter's decision could permanently harm US interests in Iran, and that contacts through French middlemen would not work: a solution could only arise from direct contact by US officials with Khomeini. Sullivan also pointed out that Huyser agreed with him on the necessity of meeting the ayatollah.³⁸⁹ The unusually strongly worded letter received much attention in Washington, and President Carter was set to fire Sullivan for insubordination. Vance managed to persuade him that it would be impractical to change ambassadors under such volatile circumstances.³⁹⁰

Discord also continued to be apparent amongst the president's closest advisors. Whereas Vance had principally supported Sullivan's proposal, Brzezinski had been firmly opposed. The national security advisor instead argued for a coup, and that General Huyser should advice the military in this direction, if Bakhtiar failed to restore order within ten days.³⁹¹ As

³⁸⁵ Buchan 2012: 263; Rubin 1981: 220, 241.

³⁸⁶ Sick to Aaron, January 24, 1979. Minutes of January mini-SCC meetings. NLC-15-20-6-14-2.

³⁸⁷ Conversation between Carter and Giscard D'Estaing (French President), January 10, 1979. NLC-128-1-26-5-5.

³⁸⁸ US Embassy in Tehran to Sec. State, January 10, 1979. NLC-6-29-3-50-6.

³⁸⁹ Ibid.

³⁹⁰ Emery 2012: 625; Carter 1982: 446; Brzezinski 1983: 381.

³⁹¹ Brzezinski to Carter, January 13, 1979. NLC-25-41-3-2-4; Brzezinski 1983: 381-382; Vance 1983: 336-337.

ever, Brzezinski's hardline position likely arose from the Cold War factors and US strategic interests that guided his foreign policy tendencies.³⁹²

On January 12, Huyser sent a letter to Defense Secretary Harold Brown to indicate that he understood his mission. The general stated that he was discouraging military leaders from pursuing a coup, telling them that they first must give Bakhtiar a proper chance to succeed by working together with him and staying united. Huyser also ranked the possible outcomes he saw for Iran, and Bakhtiar's success was clearly the best alternative among them. Barring that, Huyser allowed for the possibility of an alternative civilian government that would perhaps be more tolerable to Khomeini. Only if these successive civilian governments failed should the military carry out a coup.³⁹³ Brown was uncomfortable with Huyser's summary, and clarified for the general that he "needed to walk a narrow line in preventing a military coup against the Bakhtiar government, but not to encourage the military to stand idly by if the situation deteriorated continuously."³⁹⁴ He also warned Huyser that he needed to help ready the military for action, in case it was needed. The general replied that he was doing so, though the primary task at the moment was to ensure the military's loyalty to Bakhtiar.³⁹⁵

However, it was not clear what would need to happen for Huyser to actually encourage a military takeover, which worried Brzezinski. He advised the president that they should make clear to the general that "if Bakhtiar falters, we must make a decisive choice and [a coup] will have to be implemented with U.S. backing."³⁹⁶ Carter did not agree: as Brzezinski himself recalled, the president "found my advocacy of a coup morally troublesome."³⁹⁷

Preparing for the Return of the Ayatollah

Bakhtiar's new government was officially approved by parliament on January 16, 1979—the same day that the Shah left Iran.³⁹⁸ The US government was very concerned about the stability of Iran under these circumstances, and General Huyser was asked to help establish contacts between the leadership of the clergy and the military in Iran, so as to preserve order

³⁹² See Chapter 4 (p. 24), which describes the likely reasoning behind his stand in greater detail. For more on his general status as a "Cold Warrior," see Chapter 1, in addition to Brown 1994: 313.

³⁹³ Huyser to Brown and General Jones, January 12, 1979. NLC-39C-12-30-5-8; Huyser, Robert E. *Mission to Tehran*: 98. London: Andre Deutsch, 1986.

³⁹⁴ Brown to Carter, January 13, 1979. NLC-25-41-3-2-4.

³⁹⁵ Ibid.

³⁹⁶ Brzezinski to Carter, January 13, 1979. NLC-25-41-3-2-4 (contained in the same document as the above).

³⁹⁷ Brzezinski 1983: 382.

³⁹⁸ US Embassy in Tehran to Sec. State, January 16, 1979. NLC-16-61-6-28-1; Buchan 2012: 264-265

and prevent a civil war.³⁹⁹ On January 16, Brzezinski informed the president that Huyser's efforts had been fruitless, to which Carter simply replied "Keep trying."⁴⁰⁰ The president's idea of establishing such contacts without directly involving Khomeini was seemingly doomed to fail, because the ayatollah's pervasive influence as *de facto* leader of the revolution clearly made it near impossible for other religious leaders to sidestep him.

Meanwhile, Khomeini's supporters were calling for him to return to Iran, and the ayatollah signaled that he would soon do so. The Carter administration feared that this would lead to further conflict and bloodshed. Though the president still did not want to contact Khomeini directly, the administration tried to use unofficial channels to his associates to prevent him from returning to Iran. Washington wanted any such return to come after an understanding had been reached with the military and Bakhtiar. One of Khomeini's close associates, Ebrahim Yazdi, gave US diplomats in France the impression that the ayatollah was wary of the military's reaction and wanted to avoid a confrontation if possible. Sullivan recommended that these officials should emphasize the danger of a military coup, to forestall Khomeini's imminent return. The ambassador said that Yazdi should be informed that Huyser had discouraged the military from such action, but that it might not be possible to hold it off if the ayatollah decided to come back to Iran.⁴⁰¹

The installation of the Bakhtiar government provoked more fierce attacks from Khomeini, who also declared that he would soon announce a provisional government of his own—one that would have popular legitimacy. He urged the people to continue their strikes and demonstrations against the government, and he asked the military to abandon its loyalty to the Shah.⁴⁰² The scene was set for exactly the type of confrontation that Washington feared, and US diplomats would warn Yazdi that the Iranian communists could exploit the chaotic situation in Iran.⁴⁰³ While this was undoubtedly a genuine fear, these warnings were probably also seen as a means of convincing Yazdi to try to delay Khomeini's return. There was, however, a significant flaw in the premise of any such strategy. The Iranian communists were

³⁹⁹ Brzezinski to Carter, January 16, 1979. NLC-2-16-4-1-7.

⁴⁰⁰ Ibid. This document contains handwritten comments from the president.

⁴⁰¹ US Embassy in Tehran to Sec. State (Vance, "eyes only"), January 16, 1979. NLC-6-29-3-51-5.

⁴⁰² US Embassy in Paris to Sec. State, January 17, 1979. NLC-16-61-7-17-2; Khomeini would continue to issue such calls after his return. See Moin 2009: 202.

⁴⁰³ US Embassy in Paris to Sec. State, January 17, 1979. NLC-16-61-7-18-1.

not nearly as strong a force as US officials believed, and Yazdi dismissed these fears by stating that “The US government knows better than we that the Tudeh is not strong.”⁴⁰⁴

However, while US officials realized that the communists were only a minor part of the opposition, it was still thought that they might be able to exploit the unrest and pave the way for Soviet and leftist influence.⁴⁰⁵ While the Khomeini camp feared and distrusted the USSR, it clearly did not see Soviet-backed forces in Iran as being capable of exploiting the revolutionary upheavals to their advantage. The ayatollah remained set on soon returning, even if it meant a confrontation with the military.⁴⁰⁶

Ambassador Sullivan feared that the military would come apart upon Khomeini’s return, and that Bakhtiar would not stand a chance. Carter was skeptical, by now tending to dismiss Sullivan’s assessments in favor of Huyser’s reports, which presented a more optimistic picture of the military’s morale. In this way, the president cultivated his hope that the military might be able to save Bakhtiar in the advent of a confrontation with Khomeini forces.⁴⁰⁷ Though there was great skepticism in the administration towards the idea of a coup, all leading policymakers did want the military to take decisive action if the revolutionaries attempted to overthrow Bakhtiar’s government.⁴⁰⁸

An optimistic view of the military’s strength likely contributed to the Carter administration’s decision not to initiate direct contacts with Khomeini, despite being advised to do so by both Sullivan and Huyser. In late January, they also implored that the United States rule out support for a military coup under any circumstances. Huyser’s instructions had included the eventuality that if the civilian government were to collapse, Washington would support any action that the military would take to restore order.⁴⁰⁹ Hoping for a new plan, the ambassador recommended to Vance that “[Huyser] should be instructed to counsel the military, in the

⁴⁰⁴ Ibid. Yazdi’s quote clearly illustrates that the Khomeini camp did not share this fear. As will be shown, events would prove him right: the US had greatly overestimated the potential communist threat.

⁴⁰⁵ US Embassy in Paris to Sec. State, January 18, 1979. NLC-16-25-4-36-4; A fear of the Soviet Union and its allies in Iran exploiting the situation to gain influence, shared by many US officials, has also been noted earlier.

⁴⁰⁶ US Embassy in Tehran to Sec. State, January 22, 1979. NLC-16-62-3-18-4; Sec. State to US Embassy in Tehran, January 24, 1979. NLC-16-62-5-21-8.

⁴⁰⁷ Sullivan 1981: 239; Sick 1985: 145; Carter 1982: 445; Rubin 1982: 247; Ganji 2006: 107.

⁴⁰⁸ Even Cyrus Vance clearly supported this: See Sec. State to US Embassy in Tehran, February 5, 1979. NLC-16-64-3-7-4.

⁴⁰⁹ US Embassy in Tehran to Sec. State, January 22, 1979. NLC-16-62-3-20-1.

event of such a collapse, to maintain their integrity, and negotiate a satisfactory understanding with the Khomeini forces.”⁴¹⁰

Both Sullivan and Huyser saw this as necessary for preventing a civil war that would lead the two principal anti-communist forces in Iran, the military and the clergy, to destroy each other. Still, the secretary of state rejected the request. While he agreed that they should make it clear that the return of Khomeini alone was not sufficient cause for a coup, the United States would not ask the Iranian military to come to an understanding with him if the government fell. The fear was that this could weaken Bakhtiar’s position, making the collapse of his government a self-fulfilling prophecy.⁴¹¹ Khomeini’s widely expressed anti-American views must also have contributed to the administration being “doubtful [...] that direct approach would either change his intentions or make him more amenable to our interests,” as Vance stated.⁴¹²

While Sullivan clearly recognized that the prime minister was facing massive difficulties, he remained convinced that “the future of Iran and of our interests here lie in the hands of Bakhtiar.”⁴¹³ He likely clung to the hope that Bakhtiar and Khomeini could negotiate a settlement that would allow the prime minister to survive and preserve the integrity of the armed forces. Desperate for a solution, Bakhtiar had started talks with Khomeini through intermediaries, but by the end of January, these talks had collapsed.⁴¹⁴ Even so, Bakhtiar announced that he would not stop Khomeini from entering Iran.⁴¹⁵ While the Iranian government could easily have prevented Khomeini’s return, officials likely feared a public overthrow of Bakhtiar in response. All in all, the ayatollah would arrive in a very turbulent country that had suffered frequent violent clashes between government forces and Khomeini supporters. There had also been massive demonstrations, generally peaceful, in support for the ayatollah. Such sympathies were even apparent in parts of the military, and Washington worried whether it would ultimately remain loyal to the prime minister.⁴¹⁶

On the day before Khomeini’s arrival, Washington acceded to the wishes of the US Embassy and decided that Huyser would head home. The general had been threatened by extremist

⁴¹⁰ Ibid.

⁴¹¹ Sec. State to US Embassy in Tehran, January 22, 1979. NLC-16-62-3-29-2; Vance 1983: 339.

⁴¹² Sec. State to US Embassy in Tehran, January 21, 1979. NLC-16-62-2-17-6.

⁴¹³ US Embassy in Tehran to Sec. State, January 27, 1979. NLC-16-63-2-19-3

⁴¹⁴ US Embassy in Tehran to Sec. State, January 28, 1979. NLC-16-63-2-24-7; US Embassy in Tehran to Sec. State, January 29, 1979. NLC-16-63-3-23-7.

⁴¹⁵ US Embassy in Tehran to Sec. State, January 29, 1979. NLC-16-63-3-26-4.

⁴¹⁶ DIA Washington to DIA Current Intelligence, January 26, 1979. NLC-16-63-1-2-2; Brown to Carter, January 27, 1979. NLC-25-41-3-14-1; This fear would soon prove well-founded. See Moin 2009: 205, and also this chapter.

groups and his presence was thought to endanger those around him.⁴¹⁷ In addition, Huyser felt that he “had accomplished his mission in bringing the Iranian military to a position where they were prepared to support Bakhtiar,” so his work in Iran was done.⁴¹⁸ Nor was he the only one to leave. The embassy strongly advised all non-essential American personnel in Iran, and all dependents of US citizens, to temporarily return home. Their safety was clearly seen as threatened, particularly in light of Khomeini’s imminent arrival. He returned on February 1, setting foot on Iranian soil for the first time in fifteen years.⁴¹⁹

The Fall of Bakhtiar

The return of Khomeini went smoothly, and the police provided for security upon his arrival, as the Bakhtiar Government was very worried about the consequences if anything were to happen to him. Khomeini did not call for an armed uprising, but he did challenge the authority of Bakhtiar by appointing a provisional prime minister of his own, choosing Mehdi Bazargan, the widely respected leader of the Liberation Movement of Iran (LMI). The LMI was a moderate oppositionist group, which was seen as having democratic credentials and as relatively secular, but Bazargan also had close contacts with the religious hierarchy. Khomeini thus wanted this appointment to create a stronger link between the religious and secular parts of the opposition.⁴²⁰ Washington worried over this appointment, because a rival government increased the chances of armed conflict, yet it also appeared appreciative of Bazargan’s perceived moderation. Ambassador Sullivan believed that the political differences between Bazargan and Bakhtiar were not that significant. Left to their own devices, they might even reach an agreement, he argued, which would prevent the civil war that Washington so feared.⁴²¹

However, it was clear that the two rivaling prime ministers would not be left to sort out an agreement on their own. Various factors greatly limited their room to maneuver, the ambassador noted. Bazargan could clearly not reach such a deal without Khomeini’s approval, given his dominant position within the opposition, and the ayatollah was firmly opposed to

⁴¹⁷ US Embassy in Tehran to Sec. State, January 31, 1979. NLC-16-63-5-20-8; Sullivan 1981: 248.

⁴¹⁸ US Embassy in Tehran to Sec. State, January 31, 1979. NLC-16-63-5-20-8.

⁴¹⁹ US Embassy in Tehran to Sec. State, January 30, 1979. NLC-16-63-4-17-3; DIA Washington to DIA Current Intelligence, February 1, 1979. NLC-16-63-6-7-2.

⁴²⁰ Moin, Baqer. *Khomeini: Life of the Ayatollah*: 199,203. London: I.B. Tauris, 2009 ed.; DIA Washington to DIA Current Intelligence, February 5, 1979. NLC-16-64-3-2-9. CIA profile of Bazargan, February 5, 1979. NLC-25-34-3-55-4; DIA Washington to DIA Current Intelligence, February 5, 1979. NLC-16-64-3-2-9.

⁴²¹ DIA Washington to DIA Current Intelligence, February 5, 1979. NLC-16-64-3-2-9; US Embassy in Tehran to Sec. State, February 6, 1979. NLC-16-64-3-14-6.

any compromise.⁴²² Furthermore, the situation among the revolutionary forces in Iran was quite chaotic, and there were others whom the US Embassy saw as representing an even bigger obstacle to a peaceful solution than Khomeini: “More strident, and more dangerous, than the Ayatollah’s men are the armed radicals and terrorists who support them, and who exert great pressure on their leadership,” Sullivan wrote.⁴²³

These radical religious groups, despite having pledged their loyalty to Khomeini, largely acted on their own accord and were seen to represent a significant security threat. The embassy also remained worried about Marxist forces, such as Tudeh, whose actions it believed to be controlled by Moscow. While fewer in number than the radical Islamic groups, the communists were seen as more sophisticated, and likely to exploit the situation should they manage to goad the various camps into conflict.⁴²⁴ This US emphasis on alleged communist threats must be seen in light of general long-time priorities in American foreign policy. Of course, it was not the first time that a Soviet-centric focus had led Washington to overstate the Cold War-related aspects of situations in the Middle East.⁴²⁵

The United States continued to publicly voice support for Bakhtiar in the days following Khomeini’s arrival, and it even tried to convince the Khomeini camp to acknowledge the Bakhtiar Government until new elections could be held. Though Washington failed to break the stalemate, there were no serious incidents of violence during the first week of February, as all were uncertain about the consequences of an armed confrontation. In particular, no one knew how the military would react.⁴²⁶

The standstill abruptly came to an end on February 9, 1979, as units of the Iranian Air Force rebelled and declared their support for Khomeini. Heavy fighting ensued between the mutineers and the Imperial Guard, whose leadership was still loyal to the government. In response, armed radical guerillas and crowds of revolutionaries launched attacks on police stations and army barracks, carting away large amounts of weaponry. On February 11, the Iranian Supreme Council of the Armed Forces decided that nothing could be done to contain the revolution. The military was disintegrating, with many units defecting to the Khomeini

⁴²² US Embassy in Tehran to Sec. State, February 6, 1979. NLC-16-64-3-14-6.

⁴²³ Ibid.

⁴²⁴ Ibid.

⁴²⁵ Yaqub 2004: 19; Tal in Sayigh and Shlaim (eds.) 1997: 111; Chubin in Sayigh and Shlaim (eds.) 1997: 231; See also Chapter 1 and Chapter 2 of this study.

⁴²⁶ US Embassy in Tehran to Sec. State, February 10, 1979. NLC-16-64-6-27-9; DIA Washington to DIA Current Intelligence, February 7, 1979. NLC-16-64-4-9-1; Moin 2009: 205.

camp, and under these circumstances the council declared itself “neutral” in the conflict and ordered all personnel to return to their bases. Without the military’s support, Bakhtiar stood no chance and soon surrendered. Forces loyal to Khomeini promptly seized government buildings, signifying the victory of the revolution.⁴²⁷

Dealing with a New, Chaotic Situation

The events of February 9-11 had dashed Washington’s hopes. When it mattered most, the military leadership had not acted as a pro-Western force, but rather decided upon “neutrality.” The Khomeini takeover was both precipitous and confused, and the Carter administration struggled to get a clear view of what was going on. As the Iranian military returned to its bases, Brzezinski made one final push for a coup in a White House meeting, arguing that this might still succeed if the United States encouraged the military in this direction. However, this proposal was firmly rejected by his colleagues. Christopher, the highest-ranked State Department official at the meeting, considered a coup to be utterly unfeasible, given the military’s obvious lack of cohesion. His view was largely supported by Sullivan and Huyser, who gave their analyses of the situation by phone.⁴²⁸

The president himself was busy at Camp David, but kept in touch with the White House. Carter’s primary worry was for the safety of the Americans in Iran, and other US officials shared this fear. Much military weaponry was now in the hands of various rogue guerilla groups who acted largely on their own accord, and several Iranian generals were being executed by such groups because of their former allegiance to the Shah. Anti-foreign sentiment remained strong in Iran as well. The British Embassy had been attacked by extremist guerillas, and the Israeli Embassy had been sacked, its officials forced to flee. The Carter administration naturally became very concerned about its own embassy, but was forced to rely on Bazargan for its protection. On February 13, it was decided that Vance would send a congratulatory telegram to the new foreign minister of Iran, to indicate Washington’s recognition of the new Bazargan government. The administration felt it had no choice in this matter, now that the victory of the revolutionaries was an irreversible fact. While it was

⁴²⁷ Moin 2009: 205-206; Sec. State to “All European diplomatic posts”, February 10, 1979. NLC-16-64-6-37-8; Unknown (identity censored) to White House Situation Room, February 11, 1979. NLC-16-64-7-15-1.

⁴²⁸ Minutes of SCC meeting, February 11, 1979. NLC-25-37-9-2-3.

obvious that relations with Iran would fundamentally change, such recognition was seen as necessary to maintain any kind of American influence at all.⁴²⁹

It was also clear that close military and intelligence co-operation between the United States and Iran would not survive. Yet Ambassador Sullivan felt that the new government would still need arms supplies, and some kind of arrangement might follow from this. But he warned Washington not to put pressure on the Iranians. Given the widespread anti-American sentiment in Iran, any active overtures towards Bazargan would likely be counter-productive.⁴³⁰ In the long run, however, the embassy still saw reason to believe that the United States could have normal, friendly relations with the new regime, even though “the ‘special relationships’ will have to undergo changes.”⁴³¹

While Khomeini had been victorious in the revolution, he had yet to gain control of it, and Bazargan’s government was weak as well. In the days following the fall of Bakhtiar, leftist groups in the oil sector continued their strikes, and friction developed between religious guerillas and leftist elements.⁴³² In addition, armed guerillas were spreading fear on the streets, summarily executing those who were seen as traitors to the revolution. One such armed guerilla group occupied the US Embassy on February 14. While this occupation was swiftly condemned by Bazargan, and Ebrahim Yazdi then managed to convince the guerillas to leave, the Americans clearly faced new dangers in Iran. After this episode, Khomeini sent his own guerillas to guard the embassy, presumably recognizing the potentially drastic consequences should anything happen to it. In light of the hazardous situation, the number of embassy officials in Iran had already been drastically reduced, and the remaining ones were largely busy with evacuating US citizens.⁴³³ Sullivan sent a letter to Washington that graphically described an embassy where “our personal security is marginal, and dependent on a group which had been trained to assassinate us.”⁴³⁴

⁴²⁹ Minutes of SCC meeting, February 11, 1979. NLC-25-37-9-2-3; Summary of SCC meeting, February 13, 1979. NLC-17-14-12-4-1; Vance 1983: 343.

⁴³⁰ US Embassy in Tehran to Sec. State, February 13, 1979. NLC-6-29-4-19-9.

⁴³¹ Ibid.; “Specials relationships”, in plural, is the wording used in this document.

⁴³² *The Guardian*, February 15, 1979. <http://www.theguardian.com/century/1970-1979/Story/0,,106889,00.html> Accessed May 7, 2015; Conflicts and clashes between religious *khomeinist* forces and leftists, both in February and later, are also noted in Rubin 1981 (see for instance 281, 287).

⁴³³ US Embassy in Tehran to Sec. State, February 19, 1979. NLC-16-65-6-26-9; The precise number of embassy staff is not known to me, but “[after the February 14 incident] the United States had moved to reduce the number of official personnel to the range of 75-80 persons, down from as many as 1500 prior to the revolution,” and “virtually all personnel who had been assigned to the embassy before the revolution were rotated.” For these quotes, see Jampoler to Sick, September 25, 1980. NLC-15-99-8-1-8.

⁴³⁴ US Embassy in Tehran to Sec. State, February 19, 1979. NLC-16-65-6-26-9.

The ambassador reported that Iran was in a state of chaos and that the Bazargan government was so far a government in name only. Its authority was constantly being challenged by various revolutionary committees that carried out vigilante justice throughout the country and instituted what they considered to be Islamic justice. Though these groups formally answered to Khomeini, there was little co-operation, as well as unclear jurisdiction among them. As the US Embassy now existed in a hostile environment in Iran, Sullivan felt it necessary to keep a very low profile and not do anything to provoke the Iranians. Still, US officials felt that closer relations with Iran might well be possible in the long run *if* the new government were to survive, as the new prime minister and many of his ministers were believed to wish for friendly relations with the United States.⁴³⁵ A White House meeting concluded: “There is awareness [among them] that good relations with America will be needed, particularly for oil production, financial affairs, and other kind of technical support.”⁴³⁶

A meeting between Ambassador Sullivan and Bazargan on February 21 lent some credence to this view. The prime minister noted that while the two countries’ military relationship would have to change, a new arrangement would eventually need to follow. Washington insisted that Iran remain free of communist influence and must have hoped that some sort of military agreement would further their shared interest in containing Soviet ambitions. In light of this, Sullivan brought up the strength of the leftist guerilla groups in the streets. The ambassador thought that the United States should encourage Khomeini to work with the military—or what remained of it—to squash the communists in Iran. Bazargan countered that the other guerillas greatly outnumbered the communists, and that while the latter may cause trouble in some areas, they had not dared to challenge Khomeini’s direct orders. The meeting also included some criticism of the summary executions performed by the revolutionary committees, which Bazargan said he regretted. Despite his promise to set up proper procedures for a legal system, it was clear that the prime minister had little control of the situation.⁴³⁷

Events would show that the US belief in the threat of the leftist guerillas was exaggerated. As Bazargan predicted, they did not dare to directly challenge Khomeini and even issued qualified support for him. Other threats to the new regime were emerging as well, though. Some of the numerous ethnic groups in Iran had seized the opportunity presented by the

⁴³⁵ Ibid.; Situation Room to Camp David, February 19, 1979. NLC-16-122-1-35-0; Summary of SCC Meeting, February 19, 1979. NLC-17-14-21-2-3.

⁴³⁶ Summary of SCC Meeting, February 19, 1979. NLC-17-14-21-2-3.

⁴³⁷ US Embassy in Tehran to Sec. State, February 21, 1979. NLC-16-65-7-28-6; Situation Room to Camp David, February 19, 1979. NLC-16-122-1-35-0.

upheaval of the revolution to press for increased autonomy or independence. In late February, for example, there were clashes between Kurdish groups and forces loyal to the government.⁴³⁸ To Washington's surprise, an Iranian government official accused the CIA of having orchestrated the Kurdish revolt. He made this accusation in a phone conversation with Cyrus Vance, who firmly denied this, and the rest of the conversation went better. The official stressed that Iran sought friendly relations with the US, including the continued sale of oil and other strong economic ties.⁴³⁹ Still, the accusation demonstrated Tehran's great suspicion and resentment regarding Washington.

The Americans Lay Low

The Carter administration's treatment of the Shah in the aftermath of the revolution presented clear evidence of Washington's reluctance to provoke the new decision makers in Iran.

Though the Shah had earlier rejected an American offer to come stay in the US, he later changed his mind, only to find that the administration was now wary of this arrangement.⁴⁴⁰

In mid-March, Vance followed the recommendation of the US Embassy and advised the president that they "inform the Shah [...] that regrettably we must recommend against his coming to the United States at this time."⁴⁴¹ Carter reluctantly agreed, given the risk to Americans in Iran if they let the Shah into the country. It could be seen in Iran as a sign of US support for the deposed leader, and possibly undermine the embassy's cautious efforts to make inroads with the new government. The Shah's closest allies in the United States were appalled, and Brzezinski, not to mention influential men outside the administration such as Henry Kissinger and the billionaire David Rockefeller, would push Carter to reverse the decision over the next few months, to no avail.⁴⁴² The Shah, who had been the primary protector of US interests in Iran for decades, was now clearly regarded as a strategic liability.

Washington was right to be worried about provoking the new regime. While the official government seemed open to the prospect of friendly relations and cooperation with the United States, Khomeini himself struck a decidedly different tone, attacking both the US and the Soviet Union while pledging to rid Iran of foreign influences. He would accomplish this by

⁴³⁸ February 22, 1979, NLC-16-36-1-69-9; SSD DIA to DIA Intelligence Summary, February 25, 1979. NLC-16-66-2-9-1.

⁴³⁹ Sec. State to US Embassy in Tehran, February 27, 1979. NLC-16-66-3-19-9.

⁴⁴⁰ Brzezinski to Carter. State Department summary of US-Iranian relations, 1941-1979 (undated). NLC-25-44-6-2-8.

⁴⁴¹ Vance to Carter, March 14, 1979. NLC-15-60-6-1-2.

⁴⁴² Jampoler to Sick, September 25, 1980. NLC-15-99-8-1-8; Vance 1983: 344; Carter 1982: 452-53; Brzezinski 1983: 472-474.

making Iran an Islamic Republic, which would not have a Western-inspired legal system but rather follow what he regarded as the laws of Islam. A referendum had been set for March 30, 1979, to determine whether the nation would follow this path.⁴⁴³

As Washington had predicted, a Khomeini-dominated Iran was in fact less amenable to US interests than before. The new regime announced that Iran would no longer act as policeman of the Gulf and was also adamant that the vital US intelligence facilities near the Soviet border had to go. This illustrates why the loss of the Shah was so significant from a Cold War perspective, and why many in Washington had dreaded his overthrow, even though the new Iran would alienate the USSR as well. Tehran had also acted to establish close contacts with the Palestinian leadership and had cut off all relations with Israel, toward which it was now actively hostile. Lastly, the new regime had already indicated that it would be more aggressive on oil prices than the Shah, and far less susceptible to American influence on its oil policy.⁴⁴⁴

Interestingly, most of the US priorities in its Iran policy remained the same. In the words of the ambassador, the Americans “wished to see the sovereign integrity of Iran remain intact, and the country to remain free from Soviet domination. Its oil too is of immense importance, if not to ourselves directly, then at least to our Western European and Japanese allies.”⁴⁴⁵

But it was now very hard for the United States to advance any of its interests in Iran, or even to determine the proper negotiators. Numerous men with unclear authority claimed to be legitimate representatives of the Iranian government. The *de jure* government of Bazargan had relatively little authority, and much power was exercised by the revolutionary committees, which officially answered to Khomeini. March 1979 saw many more executions of “traitors” to the revolution, including leading officials of the old regime and revolutionaries who were found to be disloyal to Khomeini himself. Bazargan struggled to control the committees, which led to a rift between the prime minister and the ayatollah. The latter, while formally supporting Bazargan and calling for calm in the country, refused to bring the committees to

⁴⁴³ US Embassy In Tehran to Sec. State, March 3, 1979. NLC-16-66-6-18-7; Moin 2009: 212-13.

⁴⁴⁴ US Embassy in Tehran to Sec. State, February 27, 1979. NLC-16-66-3-15-3; US Embassy in Tehran to Sec. State, March 4, 1979. NLC-16-66-6-22-2; US Embassy in Tehran to Sec. State, March 5, 1979. NLC-16-66-6-29-5.

⁴⁴⁵ US Embassy in Tehran to Sec. State, March 5, 1979. NLC-16-66-6-29-5.

heel, seeing them as helpful to his goal of ridding the nation of Western influence and completing the revolution.⁴⁴⁶

In early March, Khomeini left Tehran and went to live in Qom, a city considered holy in Shia Islam that is located 125 kilometers southwest of the capital. It was still clear to all, however, that he continued to play decisive role in Iranian politics, and there was much discussion in the US government whether it should finally send an envoy to meet with the ayatollah. This might make it easier to nudge Iran in an anti-Soviet direction and improve the prospects for future co-operation. Yet the Americans stood pat, for one primary reason: officially meeting with Khomeini would be seen as granting him legitimacy in his leadership role, and this might strengthen his position at the expense of Bazargan's ministry. The fear of possibly weakening the Bazargan government even further led the Carter administration to postpone making a decision on whether to arrange such a meeting.⁴⁴⁷

The relatively moderate revolutionaries in the Bazargan government, after all, were most open to friendly relations with the United States.⁴⁴⁸ Washington thus strongly hoped that they would prove an influential force, despite the US Embassy's observation that "Bazargan's prospects for seeing Iran successfully through the post-revolutionary transition to moderate, pro-Western republicanism are dubious in the extreme."⁴⁴⁹

Throughout March, the Bazargan government struggled to control the situation in Iran. Revolutionary groups continued to execute officials that had been associated with the Shah, and had even begun the persecution of several religious minorities, most particularly the Bahá'í, a sect that was strongly disliked by the Shia clergy.⁴⁵⁰ The Carter administration lamented such developments, but it was thought that it should perhaps "avoid publicly criticizing the new government on human rights grounds, but privately make our concerns clear", as stated by an NSC staff member.⁴⁵¹ Clearly, it was feared that this kind of criticism might only prove counter-productive. This dilemma recalls the administration's human rights

⁴⁴⁶ US Embassy in Tehran to Sec. State, March 3, 1979. NLC-16-66-6-17-8; Moin 2009: 209; Sullivan 1981:275; Ansari 2003: 218;

⁴⁴⁷ Sec. State to US Embassy in Tehran, March 3, 1979. NLC-16-66-6-19-6; White House to US Embassy in Cairo, March 7, 1979. NLC-4-19-4-20-1; Tarnoff to Brzezinski, March 15, 1979. NLC-132-120-1-4-6.

⁴⁴⁸ As shown in this chapter, and indicated in the quote below. There will be more discussion of Washington's views about the Bazargan government and Khomeini in what follows.

⁴⁴⁹ US Embassy in Tehran to Sec. State, March 8, 1979. NLC-16-66-7-13-1.

⁴⁵⁰ US Embassy in Tehran to Sec. State, March 15, 1979. NLC-16-66-2-22-9; Buchan 2012: 300-302; Brzezinski to Carter, State Department summary of US-Iranian relations, 1941-1979 (undated). NLC-25-44-6-2-8.

⁴⁵¹ Tarnoff to Brzezinski, March 15, 1979. NLC-132-120-1-4-6.

policy toward the Shah, as Washington then too was worried about harming bilateral relations by engaging in overt public criticism.⁴⁵²

The United States was not the only superpower wary of upsetting the new regime. The USSR had also gone out of its way to avoid conflict with Khomeini.⁴⁵³ This did not stop Washington, however, from cultivating its suspicions regarding Soviet intentions towards Iran. For instance, when a full rebellion broke out in the Kurdish areas of northwestern Iran in mid-March, 1979, there was some speculation within the NSC on whether it would be exploited by the USSR, or even that the Soviets might have orchestrated it, though no evidence surfaced in this regard.⁴⁵⁴ Clearly, US policymakers still saw Iran through a Cold War prism, and Washington must thus have been pleased when Bazargan anticipated some sort of military arrangement with the United States in the future; he had even asked for some US military advisors to remain in Iran for the time being.⁴⁵⁵

Still, there was much skepticism regarding the reliability of the Iranian government. Throughout February and March, therefore, US officials had cancelled outstanding arms sales to Iran and also attempted to buy back sensitive weaponry and equipment. The cancelled arms sales were worth billions of dollars that Iran was unable and unwilling to pay, given both the struggling economy and the revolutionaries' resentment of the Shah's exorbitant military spending. Despite the economic hit, Washington was greatly relieved to keep these weapons from falling into the wrong hands, either in Iran or elsewhere.⁴⁵⁶

An Early Clash with the New Islamic Republic

This skepticism towards the new decision makers in Iran was aggravated by events to come. On March 30-31, the Iranian people supported the creation of an "Islamic republic" by an overwhelming majority. A "yes/no" vote was the entirety of the referendum, and no other alternative forms of government were up for discussion, illustrating Khomeini's continuing dominance. Yet there was little clarity as to what an Islamic republic actually entailed. No constitution had yet been written, and the provisional government of Bazargan would stay in place until a new government could be elected, even though the *Islamic Revolutionary*

⁴⁵² See Chapter 3, where this subject was discussed in detail.

⁴⁵³ This was even recognized by US officials, despite their general deep distrust of Soviet intentions towards Iran. See *Foreign Broadcast Information Service*, March 21, 1979. NLC-23-61-2-2-5.

⁴⁵⁴ Henze to Brzezinski, March 21, 1979. NLC-15-20-8-5-0; For more information on the Kurdish revolt, which would grow in strength in 1979, before eventually being crushed, see Ward, Steven R. *Immortal: A Military History of Iran and its Armed Forces*: 230-333. Washington D.C.: Georgetown University Press, 2009.

⁴⁵⁵ Sick to Brzezinski, March 22, 1979 (memorandum from US Embassy in Tehran attached). NLC 6-29-4-33-5.

⁴⁵⁶ Denend and Sick to Aaron, March 29, 1979. NLC-25-94-6-4-1; Sullivan 1981: 245-247; Sick 1985: 149.

Council, a loosely organized group set up by Khomeini in exile and largely dominated by his closest followers, virtually functioned as a second government. Hard-line supporters of the ayatollah would also begin to fill many government offices. Domestically, their agenda was focused on instituting strict interpretations of Islamic law and ridding Iran of any Western influence.⁴⁵⁷ At the same time, Iran's anti-American atmosphere grew along with Khomeini's increasing authority.⁴⁵⁸

Nevertheless, Washington also saw some positive signs. The radical left in Iran had not proved to be as strong as it had feared. Its numerous splinter groups and various unclear agendas seemed too weak to directly challenge the religious forces in Iran, which commanded widespread popular support. Still, the US government allowed for the possibility that if the leftist groups ever united in a common strategy, they could prove an influential factor in Iran. Washington was also wary of the alleged threat of pro-Soviet leftists gaining positions in the Iranian government, and the US Embassy warned Iranian officials about this fear. The US government strongly wished to restore some sort of intelligence co-operation with Tehran, so that they could work together with the Iranians to keep track of Soviet machinations.⁴⁵⁹ Clearly, the Cold War continued to cast its shadow and made Washington focus much of its attention towards alleged leftist threats, despite the relative weakness of the pro-Soviet groups. The Americans also lacked good sources for information in Iran, and it was thus seemingly hard for them to know what to make of the chaotic situation.⁴⁶⁰

Anti-American sentiment in Iran, propped up by Khomeini's frequent anti-American speeches, kept the Carter administration wary of pushing for these goals as spring advanced. US officials instead continued to tell their Iranian counterparts that they were ready for co-operation in any sort of area when the Iranians were.⁴⁶¹

In this regard, the Bazargan government provided some promising signals. At a meeting on April 29 with US Embassy Deputy Chief Charles Naas, Iranian Minister of Information Nasser Minachi seemed relatively friendly toward the United States. Minachi even offered to

⁴⁵⁷ Moin 2009: 213-215; CIA memorandum, March 20, 1979. NLC-25-42-10-12-4.

⁴⁵⁸ Situation Room to Aaron, April 18, 1979. NLC-1-10-4-23-0; Vance 1983: 344; Rubin 1981: 292.

⁴⁵⁹ CIA intelligence memorandum, April 25, 1979. NLC-25-42-11-2-4; Sec. State to Sullivan (date unclear, but at the latest from the earliest days of April, as Sullivan left Iran on April 6). NLC-6-29-4-37-0.

⁴⁶⁰ See page 11 of this chapter for more on this Cold War focus in US Foreign Policy, as well as Chapter 1 for general information on the topic; The US intelligence failure in Iran, as analyzed in Chapter 4, had to a great extent caused by the lack of varied sources of information, because of a hesitation of making contacts not approved by the Shah.

⁴⁶¹ Sec. State to Sullivan (date unclear, but presumably from early April, as noted above). NLC-6-29-4-37-0.

set up a meeting between Khomeini and US officials, but Naas could not pursue it, because Washington had yet to approve a US meeting with the ayatollah.⁴⁶² Despite the positive signals, Minachi did demonstrate the lingering distrust on the Iranian side of the table, even among relatively moderate ministers who were seemingly inclined towards normalized bilateral relations. Though he insisted that the government wanted a clean slate in US-Iranian relations, he indicated that the long-lasting, close American connections to the Shah were hard to move past. This skepticism regarding US intentions had not been improved by the recent widespread criticism in the US media against the executions and human rights violations in Iran, which Minachi claimed had been blown out of proportion.⁴⁶³

The issue of human rights violations would cause much difficulty for the fragile US-Iranian relationship, in fact, and undermined Washington's attempts to establish contacts with the new regime. On April 6, Ambassador Sullivan had left Iran, necessitating a replacement.⁴⁶⁴ The Carter administration saw the appointment of a new ambassador as a good way to demonstrate its openness to the new Iranian regime, and Walter Cutler was nominated as Sullivan's successor. Cutler would never actually assume this position, however, as a US Senate resolution raised an uproar in Iran. On May 17, 1979, the senators condemned the large numbers of executions in Iran, and especially the lack of proper judicial process. In response, Khomeini denounced the United States in strong terms, leading to a wave of anti-American protests, and Iran then blocked the ambassadorial appointment.⁴⁶⁵

The Carter administration emphasized to the Iranians that it did not control the actions of the Senate, and tried to make clear that the United States still wished for cordial relations. Yet this did not mitigate the anger of the Iranian government, which felt that the resolution was a rejection of the revolution and an attempt to interfere in the internal affairs of Iran. Ebrahim Yazdi, now foreign minister, also accused Washington of hypocrisy, claiming that it had

⁴⁶² Situation Room to Brzezinski, April 30, 1979. NLC-1-10-5-26-6; The fact that such a meeting had not been approved will be further discussed, and is clearly documented by sources from later dates. See, for instance, US Embassy in Tehran to Sec. State, October 12, 1979. *DUSED*, Vol. 63: 127.

⁴⁶³ Situation Room to Brzezinski, April 30, 1979. NLC-1-10-5-26-6.

⁴⁶⁴ Sullivan 1981: 280; According to Bruce Laingen, who would later assume the position of *Chargé d'affaires* in Iran, Sullivan left because he was seen as too connected with the "old regime", and the US Government thus felt it needed a fresh start. Source: Kennedy, Charles Stuart. Interview with Bruce Laingen, January 1993: 70. <http://www.adst.org/OH%20TOCs/Laingen,%20L.%20Bruce%20.toc.pdf> Accessed May 7, 2015; It also seems likely that Sullivan's disapproval of the Carter Administration's handling of the situation in Iran was a factor in his decision to leave (see, for instance, Sullivan 1981: 287).

⁴⁶⁵ Overview of US-Iranian relations 1941-1979, State Department analysis, January 10, 1980. NLC-6-30-6-5-1.

looked the other way as far as the human rights abuses of the Shah were concerned.⁴⁶⁶ Yet again, the legacy of past US policy in Iran colored the attitude of the new regime towards the Carter administration.

Moderate Friendliness, Moderate Amounts of Influence

Despite the rejected ambassadorial appointment, the US Embassy continued to be run much as before, though it was now headed by a *chargé d'affaires*. But the burgeoning anti-Americanism in Iran made things even more difficult for the embassy.⁴⁶⁷ In spite of the worsened relations, however, US officials still regularly met with those whom they saw as moderate and secular representatives of the Bazargan government. While these men too were deeply skeptical of the United States, and sometimes adapted their rhetoric to the anti-American atmosphere that prevailed in Iran, they saw the need for Iran to normalize relations with the United States. First of all, Iran had use for US military and technological expertise, as Deputy Prime Minister Abbas Amir-Entezam cautiously implied in a press conference in June.⁴⁶⁸

In addition, the Iranian economy continued to suffer from the turmoil of the past year, and a resumption of normal contacts with the United States may naturally have been seen as helpful, given its extensive economic ties to Iran. This would also be in Washington's interest, as the revolutionary chaos in Iran had led to a loss in export revenue. The US Embassy had hesitated to encourage US businesses to resume their work in Iran, given that many American businessmen had suffered harassment after the revolution, and there was great concern for their safety.⁴⁶⁹ As such, a return to normal conditions, and a cooling of the anti-American rhetoric in Iran, was clearly in the shared interest of the Carter administration and the Bazargan government.

The central challenge to any process of normalization was the fact that Iran did not speak with one voice, and Khomeini and his Revolutionary Council only increased their influence in Iranian politics over the spring. Bazargan tried to soften the effects of Khomeini's more extreme views, but he had to adapt to them as well. His ministry had no real way to contain Khomeini's influence, as Entezam confided to Charles Naas some weeks after the

⁴⁶⁶ Sec. State to US Embassy in Tehran, May 1979 (precise date unreadable). *DUSED*, Vol. 63: 95-96; Yazdi to Vance, May 20, 1979. *DUSED*, Vol. 63: 93.

⁴⁶⁷ Bill 1988: 284-285.

⁴⁶⁸ Rubin 1981: 291; Bill 1988: 265; US Embassy in Tehran to Sec. State, June 24, 1979. *DUSED*, Vol. 34: 104.

⁴⁶⁹ Report by the US Embassy in Tehran: "Iranian Economic Trends", June 1979 (no specific date). *DUSED*, Vol. 63: 97-105; US Embassy in Tehran to Sec. State, June 24 1979. *DUSED*, Vol. 34: 104-106.

ambassadorial rejection. The reason for his government's action, he explained, was that it had to appease Khomeini, who had at first sought to break off all diplomatic relations with the United States in response to the resolution.⁴⁷⁰ Naas dutifully reported Entezam's observation that "the political reality in Iran is that Khomeini makes almost all policy."⁴⁷¹

Nevertheless, Iran later sent a conciliatory sign by encouraging the United States to announce a new ambassador. Foreign Minister Yazdi backtracked a bit on June 23, claiming that Cutler had been rejected because of his earlier "imperialist" roles in the Foreign Service and indicated that Washington was welcome to choose someone else for the position.⁴⁷² This idea was not accepted by the Carter administration. The rejection of Cutler had disgruntled Washington, and appointing someone else would presumably be seen as bowing to the whims of Iran.⁴⁷³ The episode likely undermined weakened Washington's belief that constructive co-operation with Iran was possible at the moment, as the Iranian government seemed too weak, too erratic, and too dependent on Khomeini. This would in turn explain why the embassy continued to lay low and largely followed a "wait-and-see" approach.⁴⁷⁴

Insofar as Washington had any clear strategy in post-revolutionary Iran, it was centered on the attempt to establish contacts with the relative moderates of the Iranian government, like Bazargan. If these moderates came to run Iranian affairs more effectively, such contacts would be useful for improving relations. The Bazargan government's relative friendliness towards the West, at least in comparison to Khomeini's inner circles and the influential Shia clergy as a whole, and their expressed willingness to have some sort of military co-operation with the United States, made Washington place its hopes in their success.⁴⁷⁵

On the other hand, the Americans did little to strengthen ties with the Khomeini camp and the clergy in general. Certainly, the clergy's hostility to the United States made it very hard to establish such contacts.⁴⁷⁶ In many ways, the Carter administration therefore had few

⁴⁷⁰ Memo to Brzezinski, author unclear. Undated, but likely from June 1979. NLC-17C-19-33-8-9; Moin 2007:215.

⁴⁷¹ Memo to Brzezinski, *ibid.* NLC-17C-19-33-8-9. This is not Entezam's own words, but rather a US paraphrase.

⁴⁷² US Embassy in Tehran to Sec. State, June 25, 1979. *DUSED*, Vol. 34: 108.

⁴⁷³ Sec. State to US Embassy in Tehran, June 24, 1979. *DUSED*, Vol. 34: 107.

⁴⁷⁴ Sec. State to US Embassy in Tehran, June 1979 (no precise date). NLC-16-116-7-11-7; The Embassy's view about the necessity of laying low, and being cautious when trying to re-establish working relations with Iran, has been discussed earlier in this chapter (see p. 12-14, 19).

⁴⁷⁵ Such views are clearly indicated by several sources dating from the fall of 1979: Sick to Brzezinski, August 2, 1979. NLC-25-141-7-1-0; Sick to Brzezinski, September 12, 1979. NLC-25-141-9-2-7; See also Rubin 1981: 284, 291; A White House meeting concluded as early as February that the "Bazargan government is the appropriate point for the US to approach quietly in reestablishing our relationships", though it noted that "we should leave the initiative to Bazargan." Summary of SCC meeting, February 19, 1979. NLC-17-14-21-2-3.

⁴⁷⁶ Bill 1988: 279; Such hostility has also been illustrated numerous times throughout this study.

alternatives in this matter. However, as illustrated by the American reluctance to meet Ayatollah Khomeini, this was also partly an active choice by the US government.⁴⁷⁷

This reluctance had been caused by a fear that doing so could weaken the position of the relative moderates in the Bazargan government. In truth though, it appears that the moderates themselves believed that a real rapprochement with Washington was only possible if the United States acknowledged Khomeini, as indicated by Minachi's earlier proposal. Several prominent US Embassy officials shared this belief, including Charles Naas. While he acknowledged that a meeting with Khomeini could well fail, perhaps only offering him an opportunity to berate and humiliate the US representatives, he still believed it was worth a try. Washington knew little about the motivations and inner workings of the Khomeini camp, and a direct meeting represented the best chance for the United States to influence the ayatollah, Naas argued.⁴⁷⁸ Such a meeting might be necessary, according to Naas, because "it is likely that Khomeini and his entourage see our non-relationship with him over these many months as continuing opposition to the revolution", and given "the assumption that Khomeini will hold substantial power for the foreseeable future."⁴⁷⁹

The latter conclusion was backed by most of the reports the Carter administration received from Tehran. Iran was still in a disorderly state, and it was not easy to see what kind of political structure would emerge from their tumultuous process of writing a constitution.⁴⁸⁰ Yet it seemed clear that whatever the precise outcome of this process, Khomeini would likely emerge with extensive powers, not only in religious matters but also as far as military affairs and foreign policy were concerned.⁴⁸¹ For example, one article of the draft constitution forbade foreign bases on Iranian soil, which, the US military mission in Iran reported, "if enforced (and we assume it would be as long as Khomeini has power), would preclude reestablishment of U.S. pre-revolutionary operations."⁴⁸²

Yet the Carter administration did not try to arrange a meeting with Khomeini. While the embassy felt that this impeded the establishment of better relations with Iran, acknowledging

⁴⁷⁷ This reluctance to meet with Khomeini has been discussed earlier in this chapter. See, for instance, Sec. State to US Embassy in Tehran, March 3, 1979. NLC-16-66-6-19-6; Situation Room to Brzezinski, April 30, 1979. NLC-1-10-5-26-6.

⁴⁷⁸ Naas' views are stated in a memorandum from US Embassy in Tehran to Sec. State, July 12, 1979. NLC-16-49-1-9-1; This US fear has been documented earlier. Again, see Sec. State to US Embassy in Tehran, March 3, 1979. NLC-16-66-6-16-6.

⁴⁷⁹ US Embassy in Tehran to Sec. State, July 12, 1979. NLC-16-49-1-9-1.

⁴⁸⁰ Middle East to Brzezinski, July 10, 1979. NLC-10-22-1-8-7; Buchan 2012: 306-307.

⁴⁸¹ MAAG Mission in Iran to Secretary of Defense, 3 July, 1979. *DUSED*, Vol. 63: 112-114.

⁴⁸² MAAG Mission in Iran to Secretary of Defense, 3 July, 1979. *DUSED*, Vol. 63: 114.

the ayatollah was still feared by Washington to further strengthen his position at the expense of the Bazargan government.⁴⁸³ While it is clear why the administration would want to stay low until things improved, due to the fierce anti-Americanism of the Khomeini camp, it can also be argued that Washington's policy was based on its hopes, rather than adapting to the reality on the ground. Instead of protecting US interests by actively trying to make the best of a bad situation, with all the risks and compromises this would entail, the Americans remained passive. It cannot be known whether following Naas' advice here would have made a difference, but given that the Bazargan government never prevailed, this "wait-and-see" approach towards Khomeini and Iran was clearly a failure in hindsight.

A Helping Hand

Still, this is not a complete picture of US policy towards the new Islamic republic. In cases where Iran sought co-operation and help from the Americans, Washington mostly responded positively. Though relations were still not normalized, such cases became more frequent throughout the late summer and fall of 1979, when much of the commotion caused by the US Senate resolution had apparently passed. Some of the support given by Washington was economic.⁴⁸⁴ In the autumn of 1979, the US government began "cautiously to encourage businessmen to return to Iran so that major projects could be continued."⁴⁸⁵ It also agreed to accept the sale of heating oil to Iran, which was supplied by a company in the private sector. This sale was needed due to a shortage in Iran that had been caused by continuing problems in the oil sector, which still had not restored normal levels of production. It was clearly in the Carter administration's self-interest to provide such assistance, as well, because it would increase the chances of Iran continuing to supply large amounts of oil to the United States.⁴⁸⁶

Presumably, Washington also saw such actions as likely to increase Iranian goodwill towards the United States in general, which would be beneficial to the restoration of normal relations. US interest in economic recovery and stability in Iran must have been linked with the state of

⁴⁸³ As earlier demonstrated: Sec. State to US Embassy in Tehran, March 3, 1979. NLC-16-66-6-19-6; A quote from Harold Saunders in Bill 1988: 280 shows that this fear still contributed to Washington's doubts on whether or not to see Khomeini; Documents from October indicate that Washington still hesitated to approach him at this point, despite the embassy's continuing arguments that not doing so was an impediment to establishing better relations with Iran. See for instance, US Embassy in Tehran to Sec. State, October 12, 1979. *DUSED*, Vol. 63: 126-127.

⁴⁸⁴ See, for instance, Brzezinski to Carter, State Dep. summary of US-Iranian relations, 1941-1979 (undated). NLC-25-44-6-2-8; Situation Room to Brzezinski, September 4, 1979. NLC-1-12-3-4-0; Further analysis of this economic support follows below.

⁴⁸⁵ Brzezinski to Carter, State Dep. summary of US-Iranian relations, 1941-1979 (undated). NLC-25-44-6-2-8.

⁴⁸⁶ Situation Room to Brzezinski, September 4, 1979. NLC-1-12-3-4-0; *Chicago Tribune*, August 23, 1979: <http://archives.chicagotribune.com/1979/08/23/page/7/article/nation> Accessed May 7, 2015.

the global economy as well. The lag in Iranian oil production had significantly contributed to oil prices being up by over 60 per cent in six months, which had led to a situation of great uncertainty in the world oil markets.⁴⁸⁷ There were thus several reasons why it was in the mutual interest of the United States and Iran that the latter's oil sector and economy should return to normal, and the US Embassy believed it should emphasize that "American interests in access to Iranian oil are synonymous with Iranian interests in sustaining and financing its future industrial and agricultural development."⁴⁸⁸

The Carter administration also provided some assistance in military and intelligence matters, and from July onward, the Iranians sought such help on numerous occasions. Yazdi requested necessary spare parts to military equipment, and the Americans often granted such requests, likely in the interests of eventually reestablishing closer relations with Iran.⁴⁸⁹ As Yazdi emphasized in October, "[US] performance in the military supply field will continue to be an acid test of [its] attitudes toward the revolution."⁴⁹⁰ Washington played along, though with the caveat that no sensitive equipment would be sold.⁴⁹¹

While the latter shows the existing distrust towards Iran, the sales in general indicates that Washington may have seen possibilities for eventually reestablishing some sort of military relationship. While it is evident why Iran would need US spare parts for weaponry bought from America, it may still seem surprising that Iranian officials were so eager to seek such assistance, considering that US-Iranian relations were still characterized by great hostility from Tehran. The Iranian regime's deep skepticism towards the Soviet Union may help explain this turn of events.⁴⁹² "While anti-US feeling is strong among the [decision makers in Iran], their basic foreign policy fear is of the USSR," wrote William Griffith, a historian and political scientist who worked as an advisor to Brzezinski.⁴⁹³ This wariness arose from both

⁴⁸⁷ Calingaert (State Dep.) to various officials of the NSC, CIA, DOD, etc., September 10, 1979. NLC-41-18-9-1-7; Assistant Secretary for International Affairs to Secretary of Energy Duncan, October 24, 1979. NLC-49-11-6-4-6. For more details on the effect of the Iranian production shortage on the world oil markets, see Salameh, Mamdouh G. "Oil crises. Historical perspective" in *Concise Encyclopedia of the History of Energy*: 195 (Cleveland, Cutler J. (ed.)). San Diego: Elsevier, 2009.

⁴⁸⁸ US Embassy in Tehran to Sec. State, October 12, 1979. *DUSED*, Vol. 63: 126.

⁴⁸⁹ US Embassy in Tehran to Sec. State, 3 July, 1979. *DUSED*, Vol. 34: 111-113; Kimmitt to Brzezinski, July 24, 1979. NLC-10-22-4-5-7.

⁴⁹⁰ US Embassy in Tehran to Sec. State (not Yazdi's own wording, but rather the Embassy's description of his stated views), October 12, 1979. *DUSED*, Vol. 63: 124.

⁴⁹¹ Brzezinski to Carter, State Dep. summary of US-Iranian relations, 1941-1979 (undated). NLC-25-44-6-2-8. This document does not provide a definition of "sensitive equipment".

⁴⁹² Moin 2009: 215; Emery 2013: 627.

⁴⁹³ Griffith to Brzezinski, July 24, 1979. NLC-16-127-6-39-6; Iranian officials had also earlier given Washington the impression that their primary foreign policy fears was caused by the Soviet Union. See Emery 2013:627.

geographical proximity and antipathy towards the atheism and communism of the Soviet Union.⁴⁹⁴ American decision makers must have applauded this, still largely viewing Iran through a Cold War prism anyway.

Washington demonstrated its desire for good relations by providing the Iranian government with classified intelligence reports throughout the fall of 1979.⁴⁹⁵ Iranian officials, including Deputy Prime Minister Amir-Entezam, had approached the US Embassy about this possibility, and in July the Carter administration agreed. Clearly still subscribing to the expertise of US intelligence, the Iranians particularly sought information on the actions of Iraq, a neighboring state with which revolutionary Iran already had hostile relations.⁴⁹⁶ While Iraq was the primary agenda item in the several meetings between US intelligence officers and ministers of the Bazargan government, the Americans had also provided reports on Soviet policy.⁴⁹⁷

Despite all of this, the Iranian government was not necessarily becoming friendlier to the United States. While such intelligence-related meetings likely were at least tolerated by Khomeini, he continued to issue fiercely anti-American statements. Even officials like Yazdi, who had been involved in these meetings, still frequently clashed with Carter administration on the world stage.⁴⁹⁸ Such clashes arose from the ongoing doubts regarding whether the United States had accepted the revolution; the belief that Washington was interfering in internal Iranian conflicts; America's largely pro-Israeli policy in the Middle East conflict; and disagreements over US criticism of human rights violations in Iran.⁴⁹⁹ A meeting between Yazdi and Vance on October 3—the first such meeting between leading members of the governments of revolutionary Iran and the United States—confirmed that the Iranian government was still deeply skeptical about Washington. In particular, the shadow of past US support for the Shah clearly still made it difficult for the Carter administration to restore normal ties.⁵⁰⁰

⁴⁹⁴ Griffith to Brzezinski, July 24, 1979. NLC-16-127-6-39-6.

⁴⁹⁵ The most detailed account on this topic is provided by Gasiorowski, Mark J. "US Intelligence Assistance to Iran, May–October 1979" in *The Middle East Journal*. Vol. 66, No. 4, Autumn 2012: 613-627.

⁴⁹⁶ Sick to Aaron, July 23, 1979. NLC-25-141-6-17-4; Gasiorowski 2012: 614, 617, 622.

⁴⁹⁷ Gasiorowski 2012: 619; Sick to Brzezinski, August 2, 1979. NLC-25-141-7-1-0.

⁴⁹⁸ The involvement of Yazdi in such meetings, alongside Bazargan, Entezam and other higher officials, is described in Gasiorowski 2012 (see for instance: 619, 622); There will be more on his conflicts with the US government in what follows. See, for example, US Del. Secretary to Sec. State, October 4, 1979. DUSED, Vol. 34: 170-174.

⁴⁹⁹ DIA Washington to DIA Intel, August 15, 1979. DUSED, Vol. 63: 120-121; US Embassy in Tehran to Sec. State, September 20, 1979. DUSED, Vol. 34: 155-158; US Embassy in Tehran to Sec. State, October 1, 1979. DUSED Vol. 34: 155-157; US Del Secretary in New York to Sec. State, October 4, 1979. DUSED, Vol. 34: 170-174.

⁵⁰⁰ US Del. Secretary to Sec. State, October 4, 1979. DUSED, Vol. 34: 170-174.

By late fall though, the United States apparently began considering a more active policy towards Iran and its religious leadership. In October, Washington was busy trying to find a new ambassador with whom to hopefully signal a new start.⁵⁰¹ Equally significantly, the Carter administration planned to send Henry Precht, head of the State Department's Iran desk, to Iran to meet with Islamic leaders "who have had no contacts with us for six months or more."⁵⁰² Yet the administration never got to see whether such steps would yield any results, as a crisis would soon cause the US-Iranian relationship to collapse entirely.

The Return of the Shah, and the Start of a Long Crisis

Ever since the Shah's exile, his strongest American allies, like Brzezinski, had been pressing for the monarch to be allowed to enter the United States.⁵⁰³ President Carter had demurred, and the Shah had been living in other countries, including Egypt and Morocco. In early October, however, an unexpected piece of news made the president reevaluate the situation. Unbeknownst to Washington, the Shah had been diagnosed with cancer quite some time ago, and he was now in need of an operation that reportedly required the sort of advanced equipment that could only be found in the United States. Carter was faced with a dilemma. He could either reject the entry of a mortally ill longtime ally, with all of the political and moral complications that this would entail. Or he could let the Shah enter the US for medical treatment, knowing that there might be outrage from the Iranian government, which had long wanted the former monarch put on trial for his alleged crimes. Letting the Shah enter the United States was also feared to jeopardize the safety of Americans in Iran. Still, the president soon concluded that he couldn't deny treatment to the Shah, and he reluctantly allowed him to come to the United States. The Shah arrived in New York City on October 22, 1979.⁵⁰⁴

In an attempt to ensure the safety of American citizens in Iran, the Carter administration tried to explain the situation to the Iranian government. US officials stressed the Shah's dire straits and emphasized that he would not use the visit for any political purposes. At first, the reaction of the Iranian public to the news of the Shah's arrival in New York was relatively subdued, according to the US Embassy in Tehran.⁵⁰⁵ While the embassy had stepped up its security

⁵⁰¹ Sick to Brzezinski, October 4, 1979. NLC-25-142-1-1-5; *Chargé d'affaires* Bruce Laingen clearly thought that such an appointment would be good for bilateral relations: US Embassy in Tehran to Sec. State, October 12, 1979. *DUSED*, Vol. 63: 127.

⁵⁰² Sick to Brzezinski, October 16, 1979. NLC-25-142-1-4-2.

⁵⁰³ Brzezinski to Carter, August 3, 1979. NLC-SAFE 39B-29-90-8-2; Brzezinski 1983: 474-475; Carter 1982: 453.

⁵⁰⁴ Situation Room to Brzezinski, October 23, 1979. NLC-1-12-8-6-3; Brzezinski 1983: 474-475; Carter 1982: 454-456; Vance 1983: 371-372.

⁵⁰⁵ Situation Room to Brzezinski, October 24, 1979. NLC-1-12-8-10-8; Vance 1983: 372.

measures, *chargé d'affaires* Bruce Laingen believed that “the U.S. will come through this latest development in our bilateral relationship with Iran relatively unscathed.”⁵⁰⁶ However, Laingen underestimated the sensitivity surrounding the longstanding US association with the Shah. The next few days saw rapidly increasing anti-Americanism in Iran, and on November 1 there were reports that a massive demonstration was planned, with upward of one million participants.⁵⁰⁷

On that same day, Zbigniew Brzezinski was in Algiers, representing the US government in the official celebration of the twenty-fifth anniversary of the Algerian revolution. This event was also attended by Bazargan and Yazdi. As Carter’s decision regarding the Shah had strained relations with Iran further, Laingen suggested to Bazargan he might use the event to talk personally with US representatives. The Iranian prime minister agreed to this and requested a meeting with Brzezinski, which was granted.⁵⁰⁸ Yazdi and Bazargan used the occasion to protest the Shah’s arrival in New York, with the Foreign Minister suggesting that this whole affair had only strengthened their doubts of whether the United States had truly accepted the fall of the Shah. Brzezinski denied any such accusations and emphasized again that Washington was prepared to expand contacts when and if this would be of interest. While the discussion with the Iranian leaders was more cordial than Brzezinski had expected, it was clear that anti-American sentiments in Iran had been aggravated.⁵⁰⁹

Khomeini continued to fan the flames, saying that Iran should build “a Great Wall of China” between itself and the United States.⁵¹⁰ Thousands of demonstrators had subsequently surrounded the US Embassy, shouting anti-American slogans. While these crowds were eventually dispersed, the situation was about to take a turn for the worse. On November 4, 1979, the embassy was occupied, and its employees were taken hostage, all done by a group of students who proclaimed their allegiance to Khomeini but who seemed to be acting on their own. While this was clearly a serious matter, Washington expected that the Iranian government would promptly secure the release of the hostages, as had been the case during the February incident. This time, however, it would be a very different story. To

⁵⁰⁶ Situation Room to Brzezinski, October 24, 1979. NLC-1-12-8-10-8.

⁵⁰⁷ US Embassy in Tehran to Sec. State, October 31, 1979. NLC-4-40-2-8-3; Vance to Carter, October 31, 1979. NLC-4-40-2-18-8; According to Tehran Radio, three million demonstrators eventually participated. Rubin 1981: 297.

⁵⁰⁸ Situation Room to US Embassy in Algiers, October 31, 1979. NLC-4-40-2-8-3; US Embassy in Tehran to Sec. State, October 29, 1979. *DUSED*, Vol. 34: 203; Brzezinski 1983: 475-76.

⁵⁰⁹ Situation Room to US Embassy in Algiers, November 1, 1979. NLC-4-40-3-13-6; Brzezinski 1983: 475-476.

⁵¹⁰ Situation Room to US Embassy in Algiers, November 1, 1979. NLC-4-40-3-13-6.

Washington's surprise, Khomeini did not condemn the incident but rather gave it his tacit approval, removing the possibility of a straightforward solution. The result was a hostage crisis that effectively spelled the end of US-Iranian diplomatic relations.⁵¹¹

The lengthy hostage crisis significantly influenced the future of US-Iranian relations. It directly contributed to anti-American and *khomeinist* forces further consolidating their power in Iran, as men like Bazargan and Yazdi promptly resigned from their positions when the government failed to secure Khomeini's support for the release of the hostages. The ayatollah used the incident to strengthen his internal position in Iran, which would be a dominant one in the years to come.⁵¹² The crisis also greatly affected the Carter administration, which immediately put all of its efforts into securing the release of the hostages. That release would not occur until January 20, 1981, the same day that Carter was succeeded as president by Ronald Reagan, his Republican opponent in the 1980 election. President Carter viewed the hostage crisis as one of the most important contributions to his defeat.⁵¹³ The fate of his presidency and the fate of the US-Iranian relationship were thus closely connected in the end.

⁵¹¹ Reports for White House Situation Room, November 4, 1979. NLC-16-67-1-2-8; Saunders to Vance, Cristopher and Newsom, April 25, 1980. NLC-6-33-1-8-0; Moin 2009: 221.

⁵¹² Moin 2009: 229; Sick to Brzezinski, November 6, 1979. NLC-25-142-2-7-8; For information on the unfolding of the hostage crisis see Farber, David: *Taken Hostage: The Iran Hostage Crisis and America's First Meeting with Radical Islam*. Princeton: Princeton University Press, 2006.

⁵¹³ Carter 1982: 569-570; The belief that the hostage crisis had contributed to the president's defeat was widespread, and also shared by his close associates. See, for instance, Brzezinski 1983: 398, 514.

Chapter 6: Conclusion

This study has analyzed the development of US policy towards Iran from January 1977 to November 1979, in order to answer three interlinked questions about that policy. What were the primary interests of the Carter Administration in Iran? How did the US Government attempt to further these interests during this period, and why? What factors in the US policy towards Iran contributed to Washington's difficulties in protecting its interests there?

A Traditional Foreign Policy Line, with a Twist

US policy toward Iran had long been characterized by strong support for the rule of the Shah. The United States contributed to his dominance in Iran starting with its involvement in the 1953 overthrow of Prime Minister Mohammad Mossadegh, an event that earned the United States much enmity in Iranian opposition circles. Later, the United States helped build up the strength of the Iranian regime by selling large amounts of weaponry, cooperating closely in the military and intelligence areas, and cultivating extensive economic contacts.

A central US priority during the Cold War was to contain Soviet ambitions, and this anti-Soviet focus became the primary element in the Iran policy of the United States. Washington certainly had strong motivations for building up Iran's military strength. While it helped to ensure that Iran itself remained free of Soviet influence, the Shah would eventually also play a vital role in US foreign policy as the *policeman of the Gulf*. As the Americans saw it, he was helping to contain the threat of radical forces allied to the USSR and protect the steady supply of oil to the West. Oil had great economic and strategic significance to the United States and its allies. Less vital but still important were the Shah's close ties to Israel and good relations with parties on both sides of the Arab-Israeli conflict. The incoming Carter administration inherited all of this longtime US policy toward Iran in 1977, and it regarded the Shah as the one element ensuring that Iranian policy would continue along these lines.

That administration would therefore, by and large, prioritize the same interests in Iran as its predecessors, despite the fact that the new president had portrayed himself as a reformer regarding foreign policy, stressing arms reduction and human rights and advocating that US foreign policy be less Cold War-based than in the past. As Iran was the largest buyer of US weaponry and had a record on human rights that was much criticized globally, the Iranian government naturally feared that Carter's convictions would complicate bilateral relations. However, the Carter administration was generally split in its foreign policy line, and when its humanitarian ideals came into conflict with US strategic interests, the latter would generally

win out. The containment of communism and the Soviet influence in Iran, as well as in the region at large, continued to be a primary motivator of Washington's policy.

As such, the United States continued to cultivate close ties to the Shah and sell Iran advanced weaponry. This was in line with ambitions of ensuring that Iran remained strong enough to play the role of a stabilizing and anti-communist force in Middle East, and the strategic importance of the Shah was simply too great to risk aggravating Tehran by denying such sales. The administration also considered it vital to bolster Iran's defenses, and the president was thus personally involved in convincing the US Congress to approve the sale of technologically advanced AWACS military planes to Iran in 1977, even though this sale received criticism for seemingly contradicting his professed commitment to arms restraint.

Similarly, Washington did not pressure Iran too strongly on human rights issues, as it feared damaging the close relations with the Shah, or possibly hurting his internal position by encouraging his domestic opponents. Yet the Carter administration was well aware of the existing criticism toward Iran on this matter, and the president still wanted to make the advancement of human rights a priority of his Iran policy. Therefore the United States did not hesitate to use some of its leverage to influence Iran on this matter, even if the aforementioned worries made for a careful balancing act. The administration encouraged the Shah to improve the standing of human rights in Iran, and its general human rights agenda played a contributory part towards the Shah's liberalization reforms, directly or indirectly. Washington applauded such reforms, not only for humanitarian reasons but also for strategic ones. That is, if the Shah's reputation were to be improved by such reforms, his close connection to the United States would not seem so inconsistent with Carter's human rights agenda. US officials also hoped that reforms would contribute to the internal stability of Iran, hence their encouragement of liberalization in 1977.

The human rights issue was not the only one that worried Washington as far as Iran was concerned. Oil-related matters also caused difficulties, even though the Carter administration recognized the Shah's vital role as an oil supplier to the United States and its allies in Western Europe and Israel. Washington still saw the Iranian agenda on oil prices as problematic, and the president largely carried on his predecessor's work in trying to mitigate the Shah's "price hawk" approach. Officials feared that a proposed OPEC price increase in 1977 would hurt the Western economies, and Washington used all of its leverage with Tehran to convince the Shah to support a price freeze instead, which he eventually did. While the Shah had at first

caused difficulties for the United States over this issue, his turnaround surely strengthened Washington's faith in the virtues of close ties to the Iranian monarch.

Little Change in US Policy, Despite an Accelerating Crisis

Starting early in 1978, an anti-Shah rebellion, led by the exiled Ayatollah Khomeini, would emerge to eventually bring the Iranian government down. Throughout this crisis, the Carter administration would signal its clear support for the Shah, arguing that he was the best man to resolve this difficult situation. Given the generally complicated foreign policy of this administration, it is perhaps not surprising that it would follow an almost contradictory line at times. The administration would both encourage the Shah's promises of liberalization and agree that he needed to take the opposite sorts of steps to restore order. While Washington would not express support for his various crackdowns, it would not condemn them either.

It was clear that if any of the anti-Shah forces came to power, US interests would be endangered. Iran might cease being an ally of the West or otherwise abandon its vital regional role with regard to containing Soviet influence. The religious forces that dominated the rebellion were generally fiercely opposed to close ties with the United States, after all. This geopolitical aspect underpinned Washington's support for the Shah throughout the crisis, and contributed to its emphatic line that order needed to be restored in Iran.

Even as it worried about the developments in Iran, the Carter administration did not see the Shah's rule as severely threatened until late in 1978, and bilateral relations were conducted normally. US policy continued to be informed by a Cold War focus, and by a wish to build up the Shah's regional strength. Thus the United States mostly acceded to Iran's large-scale arms requests in the summer of 1978, despite their controversial nature, particularly within the State Department. Again, the administration was faced with the contradictory goals of advancing the president's arms restraint policy and strengthening Iran militarily, and the results at this time were mixed. On the one hand, Secretary of State Vance and President Carter did block the sale of advanced aircraft technology that was high on the Shah's wish list, and the administration prepared plans for reducing arms sales over the long term. On the other hand, the administration granted most of Iran's other arms requests, also in the hopes of ensuring the Shah's goodwill and continued support for US policies.

Intelligence Failure, Infighting, and Inaction

The perceived need to keep the Shah happy would soon lead to great difficulties for the United States. As the crisis in Iran metastasized in late 1978, the massive failure in US intelligence became obvious regarding the security of the Shah's position and the severity of the threat posed by Khomeini. When looking for explanations for this failure, one pivotal factor must be emphasized. The United States had not developed many close contacts among opposition elements in Iran, due to the desire to maintain good relations with the Shah, and US officials had few sources of information outside his inner circles. This situation had improved since the start of the Carter presidency, but only somewhat. This then contributed to an overly positive view of the Shah's position. Washington's failure to make such contacts in Iran, and its unwillingness to meet with leading representatives of the Khomeini camp, generally made the opposition even more skeptical towards the United States. It would therefore also lead to further difficulties for the Americans after the fall of the Shah.

Another reason for Washington's struggle to grasp the extent and nature of the crisis in Iran was the Cold War prism through which it viewed the Middle East. This focus greatly contributed to US analyses of the situation in Iran, both before and after the revelation of a large intelligence failure. It is indeed remarkable that throughout 1978–79, US officials would continue to exaggerate the threat of relatively weak leftist revolutionary groups, or the potential Soviet exploitation of the Iranian chaos, particularly in relation to the fundamentalist and vehemently anti-American forces associated with Khomeini who were actually gaining power.

As the state of affairs in Iran fell completely apart by late 1978, the Carter administration became desperate for stability for its vital ally. The Shah's position was now clearly threatened, and massive, politically motivated strikes were causing havoc for the nation's oil industry, which had obvious global ramifications as well. Due to Iran's role as a significant supplier of oil to several US allies in Western Europe, Israel and Japan, the restoration of order would become even more of a priority for Washington. While American interests in Iran remained the same, it was much less clear how to protect them. The intelligence failure spurred infighting within the Carter administration and contributed to a vague and overly cautious policy even as the crisis in Iran reached its zenith. It had left the administration unprepared to deal with the crisis in late 1978, not having made any contingency plans.

Some US officials, including Deputy Secretary of State Warren Christopher and veteran diplomat George Ball, held that Iran's problems could best be alleviated if the Shah implemented reforms, such as agreeing to form a coalition government with moderate parts of the opposition or relinquishing some of his powers. As the crisis worsened and the Shah appeared unable to handle the situation, State Department officials began to call for the United States to make contacts with all parts of the opposition, including the Khomeini camp, and help negotiate a deal between the influential (oppositionist) clergy and the military as well. The idea that Washington should start to prepare for a post-Shah era had gained traction in the State Department, and Ambassador William Sullivan eventually reached the same conclusion, albeit cautiously. These calls for changes in US policy were not fully embraced by the head of the department, Secretary of State Cyrus Vance, whose attention was for some time largely devoted to other issues, like the Israeli-Egyptian peace process.

Most prominent among those who opposed such proposals of reform, and the leading proponent of the other line that characterized the administration's internal debates, was National Security Advisor Zbigniew Brzezinski. He instead promoted a strong crackdown by the Iranian military, to restore order and prevent the overthrow of the Shah, seeing this solution as necessary due to the importance of retaining Iran as a key ally. While other prominent officials, such as Secretary of Defense Harold Brown, would sometimes sympathize with similar positions, no one pushed it like Brzezinski did. This led to conflict with Vance, the president's other leading foreign policy advisor.

President Carter, however, did not support any of these positions, and US policy would be characterized by its prudence and occasional vacillation. Washington would not push the Shah in any particular direction, even when he sought its advice. The Carter administration's inaction was influenced by its internal divides, which made it difficult to set upon a clear and coherent course, again illustrating the administration's split foreign policy line. While those who opposed Brzezinski's line throughout the crisis argued that his proposals were unfeasible, it was also thought by Vance and the State Department that a crackdown would run counter to the humanitarian ideals of the administration, and the president's would not back Brzezinski's ideas regarding the viability of a military solution. However, the president was also unwilling to support proposals of reform that could weaken the Shah's internal position, being disinclined to put pressure upon Washington's longtime ally.

Forced Adjustments

As the administration's policy towards Iran continued to be characterized by infighting and indecision, the Shah's situation deteriorated further. By late 1978, it was clear that the Shah's "stick and carrot" approach to the opposition had failed. In a last ditch-attempt to save his position, the monarch announced in early January 1979 that he would temporarily leave the country. He also appointed a new prime minister, Shapour Bakhtiar, to work with the Iranian military to try to restore order. The Carter administration had reached the point where it encouraged the Shah to go through with this plan, so that Bakhtiar would have some chance of success and perhaps even preserve Iran's close relationship to the United States.

The Carter administration likewise considered the Iranian military to be vital to its hopes of protecting US interests in Iran. This had also been a secondary motivation behind the large-scale arms sales, as it had long been believed that good relations with the military leadership would be important if Western interests in Iran were ever threatened. The US Government sent General Robert Huyser to Iran, with the mission of convincing the military to remain loyal to Bakhtiar. This would be particularly important, it was believed, in the event that the Khomeini forces attempted to overthrow his government.

Ambassador Sullivan may have thought this was too little, too late, as he feared that Khomeini's strength was too overwhelming for the military to withstand. He advocated for direct contact with the Khomeini camp and for an initiative to compel the military and the clergy, the two most important institutions in Iran, to negotiate a solution. Unless this happened ahead of Khomeini's anticipated return to Iran, Sullivan felt that there would be chaos and bloodshed, as well as the possibility of increased communist influence. He argued that since the military and the clergy were both anti-communist, they would have a mutual interest in a solution. The Carter administration rejected this proposal, believing that Khomeini would not be responsive and that the military might still be able to protect the Bakhtiar government. The administration did share Sullivan's trepidation regarding Khomeini's plans to return and went through intermediaries to try to convince him to wait. The Americans' strongest argument was that communist and Soviet-backed forces would exploit the chaos following his return, which they sincerely feared, but the Khomeini camp correctly concluded that any communist forces in Iran were not strong enough to do so.

As such, the US government could not prevent Khomeini's return to Iran in February 1979, and the ensuing open conflict between his forces and those loyal to Bakhtiar ended in the

latter's overthrow. Washington's faith in the military proved to be misplaced, as it split apart and abandoned the government. After the revolutionaries took power, the Carter administration realized that it had little choice but to recognize the new regime. While US-Iranian relations would never be the same, such recognition was seen as a prerequisite to the salvaging of any American interests at all.

A Cautious Policy, under Chaotic Circumstances

The new Iran could not act as a vital regional ally, as the Shah's Iran had been. The anti-American sentiments of the revolutionaries also meant that the close military relationship would change, and that vital US intelligence installations in Iran would have to go. Yet certain central priorities of Washington's policy, both strategic and economic, remained the same. This was particularly true in relation to the perceived threat from Moscow and the pro-Soviet revolutionary groups, and American officials warned the Iranian government about the communist threat in private meetings as well. Moreover, the United States wished to retain its extensive economic relations with Iran and further ensure that it remained a significant supplier of oil. For this reason, and as the production shortage in Iran had caused instability and problems in the global oil market, it was vital that oil production went back to normal levels. In light of all of this, Washington was anxious to reestablish normal relations with Iran.

In the chaotic atmosphere of revolutionary Iran, however, it was not easy for the United States to advance any of its interests. While the *de jure* government, led by Mehdi Bazargan, recognized the necessity of working relations with Washington, the fiercely anti-American Khomeini, who increasingly dominated Iranian politics, felt otherwise. In addition, even the relative moderates of Bazargan government were skeptical towards the United States, in large part because of its former close ties to the Shah. The past was never truly in the past, and the legacy of earlier US policy made it very difficult for the Carter Administration to establish a working relationship with revolutionary Iran.

The US Embassy realized that it needed to lay low under these conditions and avoid provoking the new regime. Therefore, it did not press Tehran for closer co-operation or the restoration of normal relations but rather waited for the Iranians to come around. Yet they did not, in large part thanks to the virulent anti-Americanism of the Khomeini camp. The general skepticism towards Washington among the new decision makers in Iran was also aggravated by the continued US unwillingness to meet with Khomeini. Such a meeting was seen as potentially undermining to the Bazargan government, which was much less hostile toward

Washington. American officials instead tried to make contact with representatives of the Bazargan government, seeing better prospects for furthering US interests if these moderate officials increased their influence. Rather than adapt to the tough reality in Iran, then, US policy conformed to Washington's enduring hope for a better tomorrow.

While bilateral relations never normalized, the Iranian government did begin to seek US assistance in several areas by the summer of 1979. On such occasions, the Carter administration was generally eager to help. Iranian requests for military spare parts and intelligence information seemed to fit well with Washington's interest in reestablishing closer co-operation in intelligence and military matters, which would be useful for the containment of Soviet ambitions. Assistance in economic matters served the goal of improving relations with Iran as well, and it was very important from a global perspective—the oil production shortage in Iran had brought great instability to the world oil markets throughout 1979.

The United States thus had every desire to wish for the restoration of orderly conditions in Iran, even though the Iranian government persisted in its wayward suspicion that Washington had a hand in Iran's enormous internal difficulties. This derived from the previous close American relations with the Shah, and when Carter decided to allow the mortally ill deposed leader into the United States for medical treatment, it bolstered anti-Americanism in Iran and led to the hostage-taking at the US Embassy in November 1979. Khomeini's support for the hostage takers prolonged the crisis, which resulted in the termination of diplomatic relations

Three Years of Difficult Balancing Acts

The story of US-Iranian relations from 1977 to 1979 can be described as one of strong allies turning into sworn enemies, and the Carter administration was not able to prevent this from happening. Its policy toward Iran was often mixed or unclear, thanks to its generally complicated foreign policy line and its internal divisions. As noted, these findings fit the theories of bureaucratic politics developed by Graham T. Allison, which focus on the uncertainties and complexity of policymaking. Rather than being the result of long-term plans by key decision makers, foreign policy choices are often skewed by internal rivalries, a lack of solid information, and little clarity about the possible outcomes.⁵¹⁴ Zarah Steiner's research on US foreign policy-making also forms a relevant backdrop, evoking a complex process

⁵¹⁴ See Chapter 1, where this is discussed in greater detail.

where “Bureaucratic infighting is endemic [...] and frequently produces conflicting and erratic policies.”⁵¹⁵

The administration’s split foreign policy line proved very significant in its Iran policy during these years, though clearly not all of its aspects can be explained by this. When things were relatively calm in Iran, this split line did not pose much of a problem, and the US-Iranian relationship generally remained solid. While policy on some issues, such as arms sales and human rights, could appear inconsistent, this did not significantly hurt relations with Iran, even when the administration walked a fine line to advance both its humanitarian and its strategic agendas.

However, under more trying circumstances, the policy differences within the administration were too much to overcome. During the Iranian revolution, the Carter administration was not capable of leveraging its relationship with the Shah to influence the situation. Its caution, as emphasized, arose from both an intelligence failure and its internal divide. After the fall of the Shah, Washington lost most of its ability to impact the situation in Iran and was forced to follow an even more cautious policy line. Many of the events that led up to this situation were beyond US control anyway, and it cannot be known whether a different policy would have yielded different results. Yet it can be concluded that, when events in Iran went the way they did, the infighting and inaction of the Carter administration made it near to impossible to protect US interests.

As it turned out, these events would have long-lasting ramifications. The United States severed diplomatic relations with Iran in April 1980, and thirty-five years later, they have yet to be restored. Just as preceding US policy influenced the path of events that led up to the hostage crisis, the memory of this crisis continues to impact US-Iranian relations to this day. The past is still present.

⁵¹⁵ Steiner 1987: 9; See Chapter 1 for further analysis of theoretical perspectives on US foreign policy-making.

Appendix A: Directory of People

Acheson, Dean – US Secretary of State (1949–1953).

Amir-Entezam, Abbas – Iranian Deputy Prime Minister (March 1, 1979–November 6, 1979).

Atherton, Alfred – Officer in the US Foreign Service. Assistant Secretary of State for Near East Affairs (1974–1978).

Azhari, Gholam Reza – Iranian general. Prime Minister of Iran (November 6, 1978–January 4 1979).

Bakhtiar, Shapour – Prime Minister of Iran (January 4, 1979–February 11, 1979).

Bazargan, Mehdi – Prime Minister of Iran (February 1979–November 6, 1979).

Ball, George – Veteran US Diplomat. Former Undersecretary of State (1961–1966) and US Ambassador to the United Nations (1968).

Blumenthal, Michael – US Secretary of The Treasury (1977–1981).

Brezhnev, Leonid – General Secretary of the Communist Party of the Soviet Union (1964–1982).

Brown, Harold – US Secretary of Defense (January 21, 1977–January 20, 1981).

Brzezinski, Zbigniew – US National Security Advisor (January 20, 1977–January 20, 1981).

Christopher, Warren – US Deputy Secretary of State (February 26, 1977–January 20, 1981).

Cutler, Walter – US Diplomat. Ambassador-designate to Iran (1979).

Culver, John –US Senator (1975–1981).

Eagleton, Thomas – US Senator (1968–1987).

Eisenhower, Dwight D. – President of the United States (1953–1961).

Ford, Gerald – President of the United States (1974–1977).

Goldwater, Barry – US Senator (1953–1965, 1969–1987). Republican Presidential Candidate (1964).

Dulles, John Foster – US Secretary of State (1953–1959).

Carter, Jimmy – President of the United States (January 20, 1977–January 20, 1981).

Homayoun, Daryoush – Iranian Minister of Information and Tourism (August 7, 1977–August 27, 1978).

Huntington, Samuel – Political scientist. Member of the National Security Council (1977–1979).

Huyser, Robert E. – Four-Star US General. Deputy Commander in Chief of the United States European Command (1975–1979).

Johnson, Lyndon B. – President of the United States (1963–1969).

Kennedy, John F. – President of the United States (1961–1963).

Khalatabari, Abbas – Iranian Minister of Foreign Affairs (1971–1978).

Khomeini, Ruhollah – Iranian Ayatollah. Supreme Leader of Iran (December 3 1979-June 3, 1989).

Kissinger, Henry – US National Security Advisor (1969–1973), Secretary of State (1973–1977).

Laingen, Bruce – US Charges d'affaires in Iran (June 16, 1979–November 4, 1979 (*de facto*)).

Minachi, Nasser – Iranian Minister of Information (1979–1980).

Mossadegh, Mohammad – Prime Minister of Iran (April 28, 1951-July 16, 1952 and July 21, 1952–August 19, 1953).

Naas, Charles – Country Director for Iran in the State Department (1974-1978), Deputy Chief of Mission in Tehran (1978–1980).

Nasser, Gamal Abdel – President of Egypt (1956–1970).

Nixon, Richard – President of the United States (1969–1977).

Pahlavi, Mohammad Reza – Shah of Iran (September 16, 1941–February 11, 1979).

Pahlavi, Reza – Shah of Iran (1925–1941).

Precht, Henry – Country Director for Iran in the State Department (1978–1980).

Reagan, Ronald – President of the United States (1981–1989).

Rockefeller, David – US billionaire, banker and philanthropist.

Sadat, Anwar – President of Egypt (1970–1981).

Schlesinger, James R. – US Secretary of Energy (August 6, 1977–August 23, 1979).

Shariatmadari, Mohammad – Iranian ayatollah.

Sharif-Emami, Jafar – Prime Minister of Iran (August 31, 1960–May 5, 1961, August 27, 1978–November 6, 1978).

Sick, Gary – National Security Council, staff member. Principal White House Aide for Persian Gulf Affairs (1976–1981).

Simon, William E. – US Secretary of the Treasury (1974–1977).

Sullivan, William – US Ambassador to Iran (1977–1979).

Turner, Stansfield – US admiral. CIA Director (March 9, 1977–January 20, 1981).

Vance, Cyrus – US Secretary of State (January 20, 1977–April 28, 1980).

Yazdi, Ebrahim – Deputy Prime Minister of Iran (4 February, 1979–1 March, 1979), Iranian Minister of Foreign Affairs (April 12, 1979 –November 12, 1979).

Young, Andrew – US Ambassador to the United Nations (January 20, 1977–23 September 1979).

Zahedi, Ardeshir – Iranian politician and diplomat. Ambassador to the United States (March 7, 1973–February 11, 1979).

Appendix B: Maps

Iran, 1973⁵¹⁶



⁵¹⁶ Perry-Castañeda Library Map Collection, University in Texas at Austin. Map produced by the Central Intelligence Agency. http://www.lib.utexas.edu/maps/middle_east_and_asia/iran_rel_1973.jpg
Accessed May 2, 2015.

The Middle East, 1976⁵¹⁷



⁵¹⁷ Ibid. http://www.lib.utexas.edu/maps/middle_east_and_asia/middle_east_pol_1976.jpg Accessed May 2, 2015.

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Jimmy Carter Presidential Library, Atlanta, Georgia

The sources gathered in the Carter Library were accessed using the library's CIA Research Search Tool (CREST) machines. These documents are marked with the NLC codes listed in the footnotes, where the meaning of the codes is also explained. While all of this material can easily be found by using the CREST Machines, the equivalent documents exist in physical versions as well. For the benefit of other researchers, and as a way of showing the original locations of these sources, the collections containing the documents used for this thesis is listed here.

Collection 1. NSA Files -- Brzezinski Mat'l: President's Daily Report File

Collection 2. NSA Files -- Brzezinski Mat'l: President's Daily CIA Brief File

Collection 4. NSA Files -- Brzezinski Mat'l: Trip File

Collection 5. NSA Files -- Brzezinski Mat'l: VIP Visit File

Collection 6. NSA Files -- Brzezinski Mat'l: Country File

Collection 7. NSA Files -- Brzezinski Mat'l: Subject File

Collection 10. NSA Files -- Brzezinski Mat'l: Staff Evening Reports File

Collection 15. NSA Files -- Brzezinski Mat'l: Brzezinski Office File

Collection 16. NSA Files -- Brzezinski Mat'l: Cables Files

Collection 17. NSA Files -- Staff Material: Office

Collection 20. NSA Files -- Staff Material: Staff Secretary

Collection 21. NSA Files -- Staff Material: FOI/Legal

Collection 23. NSA Files -- Staff Material: Europe, USSR, and East/West

Collection 24. NSA Files -- Staff Material: North/South

Collection 25. NSA Files -- Staff Material: Middle East

Collection 28. NSA Files -- Staff Material: Global Issues

Collection 39. WHCF (White House Central Files), Correspondence Tracking

Collection 49. Council of Economic Advisors

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“White House Statement Issued Following the First Meeting Between the President and the Shah”, November 15, 1977: <http://www.presidency.ucsb.edu/ws/?pid=6937>

“Toasts of the President and the Shah at a State Dinner”, December 31, 1977, Tehran: <http://www.presidency.ucsb.edu/ws/?pid=7080>

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